# FINANCIAL TIMES

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## NEWS SUMMARY

### GENERAL

## Smith's troops strike at bases

...odesian troops have launched ... attack on nationalist guer-...a bases across the Mozam-...ue border, military head-...rters announced last night.

...t was the second raid over ... border in less than two ...nths. A military communique ...e no details about the latest ...d. It said only: "The ...odesian security forces are ...sently engaged in self ...ence operations against Zanla ...rorist bases in Mozambique."

...ith's soldiers, Page 3

### ...F ban rejected

...C director-general Mr. Ian ...thowan rejected a call by the ...i-Nazi League for a ban on ...tional Front election broad-...ts and coverage of the party's ...-constituency activities.

### ...iller hunted

...ffordshire police are hunting ... killer of a 13-year-old news-...er boy, shot in the head at ...nt-blank range after disturb-... a gang of antique thieves at ...arm on his round.

### ...ussia accused

...st German scientist Dr. Heinz ...minski said that last week-...'s Iranian earthquake was ...sed by a Soviet underground ...lear test.

### ...ir crew saved

...navy helicopter on a flight ...m Scotland to its home base ... Portland naval air station, ...rset, crashed into the Irish ... The four crew were rescued ...RAF helicopter.

### ...ividend raised

...tlewoods Pools is to raise the ...ble chance pool first dividend ...it from £500,000 to £750,000 ...m September 30.

### ...ppeal rejected

...spital Works' Officers leaders ...ected an appeal by Social ...vices Secretary Mr. David ...nals to end their industrial ...ion, which has disrupted ...pital services since Monday. ...ge 14

### ...uspect isolated

...39-year-old Derbyshire man, ...o was on the Russian cruise ...p Litva, is in a Manchester ...ation hospital with suspected ...hoid. Five of the ship's ...vious passengers are con-...ned typhoid cases.

### ...die in crash

...e men died when their build-... cradle crashed down the side ...a multi-storey office block in ...diff after a cable broke. Two ...er men in the cradle were ...iously injured.

### ...uerrilla jailed

...an guerrilla Corrado Alunni, ...ged leader of the Red ...gade's gang that kidnapped ...mer Italian Premier Aldo ...ro, was jailed for 12 years in ...an for illegal possession of ...arms.

### ...uropean soccer

... the European soccer cham-...nships, the Republic of Ire-...d and Northern Ireland drew ...0 in Dublin, England beat ...nmark 4—3 in Copenhagen ...l Finland beat World Cup ...alists Hungary 2—1 in ...lsinki.

### ...oo owner fined

...PCA inspectors found a dead ...nkey and animals living in ...palling conditions at a zoo on ... Catherine's Island, off Tenby, ...les. The owner admitted ...sing the animals unnecessary ...fering and was fined £600 by ...mbroke magistrates.

### ...riefly ...

...ench surgeons transplanted ... heart of a teenage car crash ...tim into a 57-year-old man.

...ger P. J. Proby was charged ...h assaulting his secretary at ...ir Hertfordshire home.

...w York State Athletic Com-...ssion granted boxing licences ... three women.

### BUSINESS

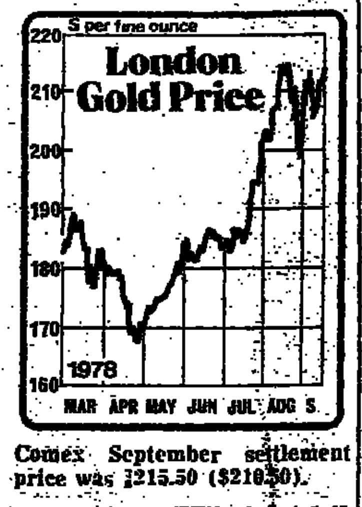
## Equities up 3.9; Gilts better

● EQUITIES improved on selective investment interest directed at leading shares and the FT ordinary index closed 3.9 up at 529.1.

● GILTS were generally firm, with small gains among shorts, and the Government Securities index closed 0.14 up at 70.71.

● STERLING rose 1.65 cents to $1.9790, and its trade-weighted index closed up at 63.2 (62.9). The dollar's depreciation widened to 9.3 per cent (8.9).

● GOLD gained $1 to $213¾ in London, and in New York the




Comex September settlement price was $215.50 ($210.50).

● WALL STREET closed 1.41 down at 857.16.

● IRAN'S state-owned Agricultural Development Bank is seeking to raise about $80m for ten years on the Euromarket. Page 25

● CROWN AGENTS issued, and concealed from own chairman and auditors, "comfort" letters intended to assure lenders in the money market that £87m of loans to property companies with which the Agents were linked, would be repaid, the Crown Agents Tribunal was told. Page 8

● CIVIL AVIATION Authority, which cut its losses by £28m to just under £16m in the year to March 31, has hinted that there might be cuts in European fares next year. Page 8

● KIRKBY Manufacturing and Engineering co-operative on Merseyside is to ask the Government for an immediate grant of £1m and the pledge of a further £2.4m if required during the next two years. Page 7

● A G "WESER", one of West Germany's leading shipyards, is operating a scheme to retain its skilled workforce during recession by "lending" skilled craftsmen to other industries experiencing shortages. Page 2

● ITALY'S unemployed rose by another 200,000 between April and July this year to 1.658m. Page 2

● COMPANY PROFITS fell back in the second quarter of 1978 after the strong growth of the previous year. Over the same period, income from employment rose sharply. Back Page

● RAYBECK, the clothing retailers and manufacturers, has made a £11.3m bid for Bourne and Hollingsworth, the Oxford Street, London, store group. The Bourne family has accepted the bid for its 69 per cent holding. Back Page

● ANOTHER LLOYD'S insurance broking company—so far unnamed—has been suspended.

● PROCON (Great Britain) expects to be awarded the main contract to build a £75m refinery expansion for Amoco and Murphy Oil at Milford Haven. Page 7

### COMPANIES

● ROWNTREE MACKINTOSH pre-tax profits for the 24 weeks to June 17 were held to a 4 per cent rise at £12.51m (£12m) by lower trading margins. Turnover rose 23 per cent to £231.9m. Page 20 and Lex

● RIO TINTO-ZINC reports lower half-year earnings, and the net profit, though slightly better than expected, fell to £40.1m against £42.3m. Page 24

● LAPORTE INDUSTRIES first half profits fell from £7.03m to £4.72m. Page 22

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| RISES | | | | | |
|---|---|---|---|---|---|
| ...mima | 34 | + 8½ | Pearson Longman | 227 | + 5 |
| ...urne Hollingsworth | 317 | + 37 | Randalls | 106 | + 22 |
| ...own and Jackson | 233 | + 7 | Rolls-Royce | 117 | + 7½ |
| ...mport | 133 | + 5 | Stewart Plastics | 147 | + 7 |
| ...iemring | 106 | + 18 | Tarmac | 151 | + 8 |
| ...ark (M.) | 148 | + 6 | Thorn Elect. | 388 | + 10 |
| ...epper (Jas.) | 80 | + 8 | Victor Products | 243 | + 6 |
| ...ll and Duffus | 166 | + 6 | BP | 912 | + 8 |
| ...dbroke | 183 | + 8 | RTZ | 250 | + 4 |
| ...porte | 127 | + 6 | FALLS | | |
| ...arier Estates | 43 | + 4 | Rowntree Mackintosh | 422 | − 23 |
| ...othercare | 162 | + 6 | Spear Jackson | 138 | − 6 |
| ...than (B. and I.) | 64 | + 7 | Tilbury Contracting | 310 | − 8 |
| | | | Siebens (UK) | 380 | − 14 |
| | | | De Beers Dfd. | 440 | − 8 |
| | | | Western Hldgs. | £21 | − ½ |

# Vorster quits with blow to peace in Namibia move

BY QUENTIN PEEL: PRETORIA, Sept. 20

Mr. Vorster announcing his decision. By his side one possible successor, Mr. "Pik" Botha

MR. JOHN VORSTER, the South African Prime Minister, delivered a severe setback to hopes for a peaceful settlement in southern Africa today when, announcing his resignation, he gave the go-ahead for an internal settlement in Namibia (South-West Africa).

At an extraordinary news conference in the South African capital, called after persistent reports of his ill-health, he declared the intention of the South African Government to reject the United Nations plan for a ceasefire and elections in Namibia, and press ahead with elections before the end of the year, regardless of the international reaction.

He announced his decision to retire from the premiership after 12 years, but to stand for the vacant, largely ceremonial, office of President.

He gave no clue about the cause of his ill-health, but said he had been persuaded to stay on in a less arduous post.

His dramatic announcement on Namibia could lead to a demand for rapid imposition of selective sanctions by the UN Security Council, diplomats warned here tonight.

It appears to destroy the one hopeful sign for peaceful progress in the region—the Western proposals for a settlement in Namibia.

The setback to the Namibia plan is also seen as likely to entrench further the positions of the internal and external forces in Rhodesia, who might otherwise have been persuaded to adopt a similar compromise.

Certainly Mr. Vorster's retirement could scarcely have come at a more crucial moment for South Africa, with great pressure for punitive sanctions likely to build up at the UN.

He said that his health no longer allowed him to fulfil the "strenuous duties" demanded by the position he had held for the past 12 years. Instead, and in response to appeals made to him, he had decided to stand for the State Presidency, left vacant by the death last month of Dr. Nico Diederichs.

The decision on Namibia was agreed at a day-long Cabinet meeting yesterday. It was announced from Windhoek, the

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# Earnings rise 14.2% during 12 months of Phase Three

BY DAVID FREUD

AVERAGE EARNINGS rose by 14.2 per cent in Phase Three of the Government's pay policy, which ended in July. This increase was well above the 10 per cent limit, but close to recent official expectations.

The Department of Employment said yesterday that at the end of the wage round 99 per cent of settlements by major groups had been within the policy guidelines.

About 10 per cent of employees in these groups were involved in self-financing productivity deals, which were permitted under the policy. The deals accounted for 1 to 2 per cent of the increase in earnings across the economy.

The remaining excess growth over the 10 per cent limit was attributed to wages drift and breaches of the policy by the road haulage industry, Ford Motors, Vauxhall Motors and other companies.

The rate of increase in earnings is still running well ahead of the rate of retail price inflation, which was 7.8 per cent in the 12 months to July. Taking recent tax cuts into account, real personal disposable incomes are estimated to have risen by about 6 per cent over the last year.

The 14.2 per cent rise in the department's economy index,

**Council workers prepare for confrontation and BBC seeks special treatment, Back Page**

which covers about 21m employees, was close to the 14 per cent predicted for the pay round by Mr. Denis Healey, Chancellor of the Exchequer, in July.

The older index, covering about 11m employees, mainly in the production industries, rose by 16.2 per cent over the round. The higher growth in earnings tends to confirm impressions that manufacturing workers have taken better advantage of the productivity arrangements than those in service industries.

The 175,000 industrial civil servants are the only major group not to have settled within the Phase Three period, but officials are confident this will not make a significant difference to the outcome of the wage round.

More people were waiting to settle at the same stage of Phase Two, although less money was involved. The late settlements in the two years are likely to balance each other out.

Government statisticians adjusted the new index this month to remove an inaccuracy. This means that the 11-month increase to June was 13.8 per cent, and not 14.5 per cent as first estimated. The Phase Two outcome was raised from 8.1 to 8.5 per cent.

The revision to the index, which is described as not sea-

Continued on Back Page

# Four urged to freeze TV rentals

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE Price Commision has called for a freeze on the television rental charges of four of the major companies active in rentals until the end of March next year.

The four — Radio Rentals, Domestic Electric Rentals, Multibroadcast (all subsidiaries of Thorn Television Rentals) and Visionhire (part of the Electronic Rentals Group)—together account for about a third of the market.

They were singled out by the Commission yesterday in its second report on the industry in two years because their profitability was the highest of the companies it examined.

The return on capital calculated on a current cost accounting basis, for the Thorn group in its last financial year was 14.1 per cent. For Visionhire the figure was 13 per cent.

Granada and Rediffusion, the other major rental companies, achieved 9.7 per cent and 5.4 per cent respectively.

Both the Thorn companies and Visionhire also expected to maintain or improve profitability in the coming year, while Granada and Rediffusion expected a decline. However, both Thorn and Visionhire subsequently told the Commission that they felt their return on capital levels overstated their true position.

Thorn said last night that, while it generally welcomed the report, it was surprised that the more successful companies should be singled out for special treatment. The recommendation for a price freeze will now be considered by Mr. Roy Hattersley, Secretary for Prices.

The Commission's report was less critical of the rental companies than its previous one in October 1976. Then the Commission felt that charges and profitability were too high and the major companies subsequently agreed to a price freeze.

This time, however, the Commission is sympathetic to the rental companies' problems regarding future uncertainty in the market arising from technological developments and a slowdown in demand.

But the report does criticise the rental companies for failing to give more financial and planning support to the television manufacturing industry, especially for research and development.

"A more strongly supportive stance on the part of the rental companies may be necessary if television manufacturing in the UK is to be assured of survival and prosperity," the report says.

Television rentals in the UK account for some 11.7m of the 20.5m sets in use. But the report suggests that the rental companies may find it difficult to maintain their 50 per cent share.

This was due to a number of factors, including a possible switch by consumers to buying rather than renting. The Commission found that on a strict financial comparison there was some advantage in buying rather than renting, although it acknowledged that people preferred renting for other non-price reasons.

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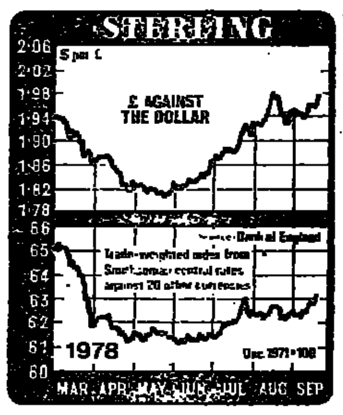


# Renewed pressure on dollar

BY MICHAEL BLANDEN

THE DOLLAR came under renewed heavy pressure in European foreign exchange markets yesterday. It lost ground against all leading currencies in spite of support by several central banks.

The Swiss franc reached a new record level against the U.S. currency, and the pound at one stage was up by over two cents. The dollar's weakness was reflected by its fall in value against a basket of currencies, calculated by Morgan Guaranty at noon New York time. This widened from 8.9 per cent to 9.3 per cent.

The market's nervousness appeared to reflect second thoughts about the Camp David agreement on the Middle East. The uncertainty was increased by the Jordanian and Saudi Arabian reactions. These influences offset the apparently encouraging news of progress on the U.S. administration's energy programme.

At its peak, the Swiss franc touched SwFr 1.5330 to the dollar, closing in London at SwFr 1.5380 compared with SwFr 1.57 the previous day. On the Morgan Guaranty calculation the Swiss franc's appreciation since the end of 1971 increased to 104.1 per cent, compared with 101.2 per cent the previous day.

The West German currency was also strong, rising to DM 1.9550 to the dollar at its best and ending the day at DM 1.9615 against DM 1.9745. The pressures on the currency market brought strains on the European snake joint floating arrangement. The Dutch guilder and the Belgian franc both required official intervention at their floor levels against the D-Mark.

The pound benefited from the dollar's weakness, though dealers reported that there was also evidence of demand for sterling in its own right. The pound reached $1.9845 before coming back to close at $1.9790 for a gain of 1.65 cents. Sterling's trade-weighted index touched 63.3 at noon, its best since last March, ending at 63.2. This compared with 62.9 the previous day.

# France takes control of steel industry

BY DAVID CURRY PARIS, Sept. 20.

M. Monory: "the only way"

THE FRENCH State is to take over effective financial control of the country's near bankrupt steel industry. The main State and bank creditors have agreed to a five-year moratorium on debt repayments and to the imposition of a new financial superstructure on the country's three leading steel groups.

However, the Government insists that the new measures do not amount to nationalisation—a step proposed by the Socialists and the Communists in the general election six months ago.

The move is the second large-scale State intervention in the industry in 18 months. In the spring of last year, the Government agreed a plan with the industry to shed 16,000 jobs over two years and to close out-dated plants.

M. Rene Monory, the French Economics Minister, claimed today that the Government action was the only way to achieve a rapid reduction in the burden of debt repayments. Debt servicing of the three groups affected—Usinor, Sacilor and Chiers-Chatillon—is running at more than 15 per cent of turnover.

The action, M. Monory said, was the only way to ensure a reasonable future for the 140,000 employees in an industry operating at only two-thirds of a potential capacity of 33m tonnes a year. It would protect the savings of thousands of small investors.

When restructuring is complete, the industry's creditors — including the State and State-owned institutions, will own about two-thirds of the capital of each of the three groups. This means that of all the leading EEC steel producers, only West Germany will retain a predominantly privately-owned industry.

The immediate problem in France is that of an industry which, as a whole, at the end of last year, was carrying FFr 38bn (£4.47bn) of medium- and long-term debt for a turnover of FFr 34bn.

Over the last three years, Usinor has lost FFr 4.5bn (£530m). Its output last year was 8.3m tonnes and it employed 37,000 people. Sacilor has lost FFr 4.3bn over three years for a production of 6.4m tonnes last year and a workforce of 45,000. Chiers-Chatillon had a production last year of 1.18m tonnes.

The main principle of the rescue is that the State and the banks will each convert a small part of their credit into holdings in three new financial companies, collectively with FFr 2bn in capital, each crowning one of the three industrial groups.

Interest on the remaining amounts outstanding will be limited to a nominal 0.1 per cent a year for five years. By this means it is hoped to reduce the burden of debt repayment to a level closer to the German one of 5 per cent of turnover.

In return for this sacrifice, the creditors will take control of about two-thirds of the three companies and will appoint new chairmen, although the Government emphasised that it would not interfere in the industrial operation of the groups.

A special fund, the Caisee d'Amortissement pour l'Acier, to be managed by the State-owned central deposit institution, the Caisse des Depots, will take over responsibility for the payment of the FFr 14bn owed by the companies to the small investor via fixed interest loans raised on the market. It will also assist creditors who may face difficulties because of the virtual moratorium on debt repayment.

The FFr 3.1bn outstanding to the European Coal and Steel Community and European Investment Bank will be honoured.

The commercial banks have FFr 9.4bn outstanding. They will convert FFr 600m into capital to give them a 30 per cent stake in the three controlling companies. The remainder will receive the 0.1 per cent interest for five years and loans falling due will be systematically rolled over. The Government will convert FFr300m of its FFr 9bn credits into capital

Altogether, the state will hold 15 per cent of the new controlling companies; State-controlled institutions, excluding the banks, 40 per cent; the banks, 30 per cent; and the new fund, 15 per cent.

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### £ in New York

| — | Sept. 20 | Previous |
|---|---|---|
| Spot | $1.9810-9830 | $1.9630-9660 |
| 1 month | 0.62-0.56 dis | 0.66-0.60 dis |
| 3 months | 1.35-1.25 dis | 1.38-1.32 dis |
| 12 months | 5.15-5.05 dis | 4.90-4.80 dis |



# EUROPEAN NEWS

### TURKISH CENTRAL BANK SACKING

## Governor goes to court

BY METIN MUNIR ANKARA, Sept. 20.

TURKEY'S Finance Minister, Mr. Ziya Muezzinoglu, has finally divested himself of Professor Tayyar Sadiklar, Governor of the Turkish Central Bank, and the last of the top officials in Mr. Muezzinoglu's domain, appointed by the previous Government, to have survived.

"The professor, on the other hand, is apparently convinced that he has lost the battle but not the war. He is taking the Government to court.

Many neutral observers here believe it regrettable that this unprecendented wrangle between the Central Bank and the Finance Ministry should have taken place at this highly critical phase of the Turkish economy. The rumpus was carried on in public, dominating the headlines of Turkish newspapers for the past two months, after fermenting for nearly six.

Mr. Muezzinoglu wanted to dismiss Mr. Sadiklar because during his tenure the bank's international prestige suffered owing to circumstances arising from the foreign currency famine.

This was the time when, in the now-famous words of Mr. Suleyman Demirel, the former Prime Minister, "Turkey cannot spare 70 cents."

Mr. Muezzinoglu told me in an interview: "I want the central bank to have a new image, new blood. I want to reinforce its credibility and the respect it commands."

He also wanted someone, he said, with whom he could work in closer collaboration in implementing the critical stand-by agreement with the International Monetary Fund and the stabilisation programme.

Hints have been heard that Mr. Sadiklar embraces the right-wing views of Mr. Demirel rather than the Ecevit left-of-Centre philosophy. This, in fact, was the nub of the problem.

Mr. Muezzinoglu wanted to dismiss the governor not because they disagreed on financial matters, but because Mr. Sadiklar's views were not in tune with his, it is believed.

Mr. Muezzinoglu asked Mr. Sadiklar to leave as soon as the Ecevit Government was formed eight months ago. He could become an ambassador, he was informed, or be transferred to an equally senior post elsewhere.

In one respect there was nothing unusual in this request. Turkish Governments are traditionally in the habit of putting "their own people" in senior Civil Service positions—practice which creates a pool of inactive bureaucrats often of considerable talen and experience.

**The Turkish Central Bank today readjusted for the second time in five weeks the cross rates of the lira to 11 major international currencies, including the pound, which now fetches 48.17 lira, the highest since October 1976 when it hit an all-time low of 26.40 lira. With today's decision, the Austrian schilling went up in value against the Turkish lira by 1.3 per cent; the Deutschemark 1.1 per cent; Belgian franc 1.9 per cent; Danish krone 2.1 per cent; Dutch florin 1.1 per cent; Swedish krona 0.9 per cent; Swiss franc 5 per cent; Italian lira by 1.4 per cent; Norwegian krone 3.2 per cent; pound sterling 1.6 per cent. The Canadian dollar lost value against the Turkish lira by 1.6 per cent.**

Mr. Sadiklar refused, and put up a tough resistance which many international bankers did not expect of this soft-spoken academician.

"According to law, the Central Bank is independent and autonomous and should stay that way," he told me. "The Central Bank Governor should not change with governments. This practice must be established."

Claiming with vehemence that he is "apolitical," Mr. Sadiklar maintained that his quest was not for personal gain but for cementing the bank's autonomous and independent stature.

But perhaps it was unfortunate that Mr. Sadiklar chose to "go public" with his case—he gave Press conferences and interviews, and published a lengthy discourse defending his cause.

Several times, he attacked the Government's economic policies. Mr. Muezzinoglu's supporters maintained that his public utterances alone constituted grounds for his dismissal.

Dismissal, however, was not easy. Only two years of the Governor's five-year contract had run out and the Central Bank law is written in a way to protect governors.

But the Government eventually found "a case in which to fit the minaret," as the Turkish expression goes, and at the end of a "labyrinthine legal maze," the Governor was dismissed. Mr. Sadiklar, however, vehemently denied the charges.

Mr. Sadiklar will take his case to Danistay, the supreme administrative court, for a stay-order and eventual reversal.

The legal wrangle will continue with the Right-wing rallying around Mr. Sadiklar. But it is unlikely that the professor will return to his newly furbished office in the bank.

Mr. Naci Tibet, a veteran bank official, has been designated acting Governor. It is expected that after attending the annual assemblies of the IMF and the World Bank, Mr. Muezzinoglu will appoint a new man.

International bankers believe that the rumpus will affect neither Turkish-IMF relations nor the work on restructuring old debts and raising fresh money.

The bank bureaucrats who have been heavily involved in these fields are expected to stay on.

The Central Bank is expected to keep a tight rein on money supply, credit and similar sensitive subjects as it did under Mr. Sadiklar after the deal was signed with the IMF. The transfer of power is thus expected to be smooth.

Whoever replaces Mr. Sadiklar now should be aware of one reality — he stands at risk of being dismissed as soon as a new Government comes to power.

## W. German budget presented

By Adrian Dicks

BONN, Sept. 20.

THE WEST GERMAN Government presented its record DM 200bn (about £50bn) budget for 1979 to the Bundestag today, together with the DM 12.25bn (about £3bn) package of stimulatory tax cuts it promised at the world economic summit meeting here in July, as its contribution to international recovery.

Herr Hans Matthoefer, Finance Minister, has run into opposition criticism of the growth of the public deficit in recent years, but there appears little danger that the Government's proposals will fail to find a majority.

Christian Democrat leaders may seek, either in the Bundestag or through their party's majority in the Bundesrat, to embellish the coalition Government's summit undertakings and to extract from it a promise to set in motion a more fundamental reform of the income tax system.

The Opposition has let it be clearly known that it will not attempt to stand in the way either of individual proposals it dislikes, such as the raising of Value Added Tax next year, or of Chancellor Helmut Schmidt's pledge to his fellow-heads of Government at the Bonn summit.

The Government has also, at some cost to morale inside Herr Schmidt's Social Democratic Party, been able to quieten rebels in its own ranks who had at one point threatened to vote against the package.

Herr Matthoefer must still work out a formula which will make up to the states and local authorities the income they would have to forgo if the pay roll and turnover taxes disappear, while avoiding any infringement of West Germany's careful, decentralisation of power.

Presenting the budget, the Minister was careful to stress that the planned DM 35.5bn net increase in public deficits was a strictly temporary measure.

## Italy's unemployed queue swells by another 200,000

BY PAUL BETTS ROME, Sept. 20.

ITALIAN UNEMPLOYMENT, which is at an official annual rate of 7.5 per cent, shows no sign of abating.

Between April and July this year 200,000 additional people were looking for jobs, bringing the official unemployment total to 1,658,000, according to figures released today by the National Statistics Bureau.

The figures only tell part of the story for they do not take into account the excess of workers employed in state sector industries and the large number on state-subsidised salaries.

One of the most dramatic aspects of the unemployment situation is the large proportion of people under 29 looking for jobs. Some 78 per cent of the latest total is made up of people in this age bracket. Of these, 39 per cent hold a high school diploma.

The trade union movement is pressing the Government to stimulate growth to generate more jobs, especially in the depressed South. The Government is proposing to create up to 600,000 new jobs during the next three years as part of a medium-term economic recovery plan.

Discussions are taking place between the Government and the unions to reach broad agreement before the end of this month on a series of fundamental measures to create a stable economic climate to promote employment.

Sig. Vincenzo Scotti, the Labour Minister, continued talks today with labour leaders over a widespread reform of Italy's chaotic pension system. Some measure of agreement seems to have been reached on such controversial issues as the indexation of pensions, on the creation of fixed pension ceilings and the gradual rationalisation of the pension agencies.

The Government, which hopes to gain parliamentary approval at the end of this month on the proposed pension reform, is also seeking to abolish the accumulation of pensions on top of earnings.

Union leaders are to meet representatives of the national employers organisation, Confindustria tomorrow, to examine the employers' request for moderation in forthcoming wage claims and union demands for greater security for the employed and greater job openings for the unemployed.

## Relief in Bonn after state poll

By Jonathan Carr

BONN, Sept. 20.

THE THREAT of a dispute which could have had serious consequences for the West German coalition Government in Bonn receded today with the election of a new Prime Minister of North Rhine-Westphalia, the country's most populous state.

All 104 members of the Social Democrat (SPD) and Liberal Free Democrat (FDP) groups in the state parliament voted in favour of the SPD candidate, Herr Johannes Rau, who until now has been Education and Science Minister. The Christian Democrat (CDU) opposition candidate gained 95 votes.

The election result had been tensely awaited since there has been squabbling between the SPD and FDP in the state, particularly over tax reform plans. It was feared that because of this some FDP deputies might vote for the CDU candidate. This would not only have presaged the end of the SPD-FDP coalition in North Rhine-Westphalia; but would have spelled deep trouble for the Bonn government, also an SPD-FDP alliance.

Today's vote became necessary following the decision of Herr Heinz Kuehn, aged 66, and state Prime Minister for 12 years, to step down before his full term was up and give way to a younger man.

The coalition solidarity shown here will encourage the SPD and FDP for their next major hurdle—the election in the state of Hesse on October 8. The CDU is trying to displace an SPD-FDP coalition and come to power in Hesse for the first time.

## Bremen shipworkers 'on loan'

BY GUY HAWTIN FRANKFURT, Sept. 20.

ONE OF West Germany's leading shipyards has hit on an imaginative way of retaining its skilled workforce during times of recession. It "lends" them to other industries experiencing shortages of skilled craftsmen.

AG "Weser," which is based in Bremen and 86.4 per cent-owned by Krupp, has signed a year's contract with the Daimler-Benz motor plant, in the same city, to supply them with highly-trained craftsmen that the shipyard can ill-afford to lose.

Men are also on "loan" to other industrial operations such as Kloeckner.

The plan has been formulated in response to the shipbuilding recession, which many in the industry feel could continue until the mid-1980s. Orders for German shipyards have been falling heavily and redundancies and lay-offs in the industry have been widespread.

Earlier recessions have taught German employers that, once laid-off, skilled craftsmen who have found other jobs are reluctant to return to their original trades. This has created serious problems for employers when things start to pick up again.

Although the West German German shipping industry is in recession, the motor industry is still booming and car makers are having considerable problems keeping pace with demand. Customers for Daimler-Benz's Mercedes models are having to wait up to four years for delivery.

Car manufacturers have for months been complaining of a shortage of skilled craftsmen at a time when imported cars are making inroads into the West German domestic market.

A. G. "Weser's" contract with Daimler-Benz was inspired by the man power exchange scheme which has been successfully operating between North German shipyard groups for some time. Labour has been "lent" from yard to yard as orders and work-in-hand fluctuate.

The Daimler-Benz scheme is run on a volunteer basis. Under the contract, the craftsmen are kept on the shipyard's payroll and A. G. "Weser" continues to pay their wages. The motor concern re-imburses the shipping group with a lump-sum payment.

The shipping group said today: "One should not make too much of the scheme. It only affects about 50 men. However, they are men that are extremely hard to replace once they have left the industry."

## Doubts on Irish pay pact

BY STUART DALBY DUBLIN, Sept. 20.

IRELAND'S largest trade union, the 160,000-member Irish Transport and General Workers Union (ITGWU) is having serious doubts about whether to enter into a new national wage agreement.

Some members of the union leadership feel that national agreements tend to work against the interest of lower-paid workers. Two delegate conferences, one of them next week, are being organised by the union in advance of the Irish Congress of Trade Unions meeting on November 14, which marks the start of negotiations for a new national agreement.

At these meetings the ITGWU will decide whether to participate in a new pact. Should the ITGWU decide against entering a new agreement, it could damage the Government's attempt to keep the economy growing and reduce inflation, currently just over 8 per cent.

The existing national agreement calls for increases averaging 8 per cent, with a minimum increase of £3.50.

The ITGWU feels that across-the-board increases tend to discriminate against the lower-paid workers and would like to see [illegible] scales and more specific [illegible]come-related increases applied.

With a quarter of the 600,000 workers affiliated to the 89 unions in the Congress, any decision made by the ITGWU would have a critical bearing on what the congress decides and a negative decision could make the Government's wage policy unworkable.

## Austrian union call attacked

By Paul Lendvai

VIENNA, Sept. 20.

THE AUSTRIAN unions demand for income and wage tax reductions would go beyond what Dr. Hannes Androsch, the Finance Minister, last night called the "limit of the permissible maximum."

The latest offer by the Government would already involve Sch.4.5bn (about £160m) in reduced revenues. The unions still insist on a steeper increase in the so-called deductible allowances for wage and salary earners which would add an extra Sch 1.2bn to Sch 1.3bn to the costs.

It is reckoned that the cuts would lead to a reduction of Sch 100-200 per month for the average taxpayer, depending on his family status. But with general elections due next autumn, the unions clearly want to prove that they treat a Socialist government as they would a Conservative one.

## Dutch budget reaction mixed

The 1979 Dutch budget proposals have had a mixed reception from the political parties, the employers and the trade unions, writes Michael Van Os in Amsterdam. But the feeling in political circles in The Hague yesterday was that the Government's austerity package is likely to be approved by Parliament next month without any drastic alterations.

The strongest opposition so far has come from the unions. The dominant union, the FNV said it was not prepared to co-operate with wage moderation plans.

### Danish poll

The Danish voting age will be reduced from 21 to 18 following the referendum on Tuesday which confirmed a Government decision to bring the voting age into line with most other European countries, Hilary Barnes reports from Copenhagen.





OVERSEAS NEWS

# The 'iron man' fails to give direction

BY QUENTIN PEEL JOHANNESBURG, Sept. 20.

HE THICK-SET figure of Mr. hn Vorster has dominated outh African politics since he as catapulted from a relatively nior Minister of Police to ime Minister 12 years ago. is election victory last Novemr. with the largest Parliamenry majority in South African story, set the seal on a career which he has feared for no val.

Mr. Vorster won the Premier's b on his record as an iron an in the Police portfolio. In e wake of Sharpeville, he desoyed the last of "liberal" frican nationalism, and the emyonic urban terrorist cells which succeeded it. As a former member of the extreme Afrikaner nationalist and anti-war movement, the Ossewa Brandwag, who was interned for 20 months from 1942, he was also seen as an upholder of pure Nationalist ideology.

In the event, Mr. Vorster has been a pragmatic leader. His insistence that the 1976 riots in Soweto should be brought under control "at all costs" has been blamed for the subsequent death toll. He has consistently maintained that law and order is the highest priority, and will never negotiate under duress. But his abandonment of the pure tenets of white supremacy, his belief that petty discrimination could he abolished without affecting the structure of separate development, and his attempts to negotiate detente with black Africa and engineer a modus vivendi with South Africa's neighbours, have all lost him his erstwhile reactionary supporters.

The split in the National Party under his leadership, when the Right-wing broke away in 1970 to form the Herstigte (purified) Nasionale Party, has dominated his subsequent actions, making him all the more determined to maintain future National Party unity. The result is that, in spite of growing concern on the verligte (enlightened) wing of the party at deteriorating race relations, Mr. Vorster has kept the pace of change much nearer to the pace of the most verkramp (reactionary).

But he has failed to give clear leadership and direction. His attempts at new policy departures have been notable failures: the relaxation of petty apartheid was met with the Soweto riots, detente with black Africa has brought no sign of lessening black hostility, his promotion of independence for black homelands has produced universal derision. Mr. Vorster leaves his successors in a considerably weaker position than the one he inherited.

# Four front-runners in the leadership stakes

**FOUR MEN are recognised contenders to succeed Mr. Vorster as Prime Minister. Even before confirmation of his retirement, intensive lobbying for each of them was going on within the ranks of the ruling National Party caucus, which must elect a new leader, as well as a new state President, on September 28**




HE MOST senior politician in e contest is **Mr. Pieter Willem otha**, the Minister of Defence. s leader of the Cape Province the National Party he can call a wide measure of automatic pport in an incurably parochial d provincial organisation. But at might also lose him the pport of the numerically rongest Transvaal Province.

Born in 1916, he was a local rty organiser at 20 and has won considerable reputation as an ble administrator and a hardne conservative at the Defence inistry.

However, he was instrumental taking South Africa into its ortive military venture in the ngolan civil war, which portedly earned him the disproval of Mr. Vorster. His ccess has been in building up e South African defence forces ter the imposition of the ritish arms embargo.

Recently he has been the leadg opponent of the Western ttlement plans for Namibia South-West Africa), and alough once seen as a man in e middle of the party, has creasingly identified with the ght-wing.

**Dr. Cornelius Petrus (Connie) Mulder**, until this year was always seen as the heir apparent. He is leader of the Transvaal province in the party, and as the former Minister of Information (as well as of the Interior), he kept a high profile domestically and internationally. He is a man of enormous energy and ambition, which led to the attempts of the Information Department to become involved in secret international diplomacy, without the subtlety or organisation needed to back it up.

In spite of that setback, Dr. Mulder, 53, is now in the most powerful and sensitive ministry, the Department of Plural Relations and Development, alias African Affairs. He has tackled the job with vigour and won himself a fair amount of praise for his apparent willingness to compromise. It is not clear just where Dr. Mulder lies between the "verligte" (enlightened) and "verkrampte" (reactionary) wings of the National Party. Privately he says that "you have to be verkramp to be verlig" within the ruling party—a formula similar to that pursued by Mr. Vorster.

The dark horse in the stakes and increasingly mentioned as the most likely victor is **Mr. Stephanus Petrus (Fanie) Botha**, the Minister of Labour and Mines. He lacks the flamboyance of the other contenders, but has immaculate party credentials, is very close to Mr. Vorster and resembles him as the man most likely to maintain party unity.

Born in Lusaka in 1922, he was educated in South Africa and took a degree in law and economics at Stellenbosch University. Before entering Parliament he was financial adviser to the Rembrandt group and a farmer in northern Transvaal, where he is now deputy leader of the National Party.

Neither of Mr. Botha's Cabinet portfolios has been particularly glamorous—Water Affairs and Forestry, and Mines and Labour. However, his latest job has pushed him into the political limelight as he has attempted to liberalise South Africa's discriminatory labour laws. He has managed to abolish most statutory job reservation without antagonising the white trade unions—a remarkably skilful operation.

The final contender probably has the widest public support and international exposure but is not thought to have the necessary party backing: **Mr. Roelof (Pik) Botha**, the Minister of Foreign Affairs. His command of the media and his public oratory have won him enthusiastic public backing. Perhaps more successfully than any of his colleagues he has put across the need for whites to accommodate black aspirations.

Pik Botha was brought from the South African embassy in Washington to become Foreign Minister as Mr. Vorster's personal protege last year, and is widely thought to be the man Mr. Vorster would most like to have seen succeed him, if he had had more time to build up his own party political base. At 46, he is thought too young for the job by many of his colleagues. Moreover, his emotional outbursts have made him suspect in parliamentary eyes.

Internationally, he has been most identified with the verligte wing of the party. But he still has to persuade the National party's conservative wing that he is not a dangerous radical.

RHODESIA

# White farmers are ready to reap harvest of majority rule

BY QUENTIN PEEL, RECENTLY IN UMTALI

"YOU ARE the front-line soldiers," Mr. Ian Smith, the Rhodesian Prime Minister, told an audience of white farmers last week. "Not only the farmers but their wives and their children are front-line soldiers, too." His words brought a storm of applause. Yet the questions he faced in the Queen's Hall in Umtali—still pock-marked with shrapnel from a mortar attack by nationalist guerrillas only days before—showed that Rhodesia's white farmers are beginning to feel the strain.

A farmer's wife from the border district of Melsetter, 90 miles to the south, made no bones about it: "The people there are desperate," she said. "The terrorists seem to have complete control of the district. The people are living in a virtual laager. They are do or die."

Two days before, an elderly couple from the district had been shot, and their farmhouse burned down around them. Their deaths brought to 30 the number of whites killed there since the war began, 20 of them in the past year, out of a total community of barely 100 families.

"There have been land-mines, store robberies, countless incidents not reported in the Press." Mr. Smith's questioner declared. "The time has come for more action. Is there not something which could be done without upsetting the internal settlement?"

Other questioners — still anxious rather than angry, but close to anger—touched on related themes: why was the army being held back? How could cattle rustling be stopped? What should be done to prevent the abandonment of farms? The tougher the question, the louder the applause.

Mr. Smith was not trying to give easy answers. The whole theme of his address was that his options had run out. The only course left open to Rhodesia's whites was to try to make a success of the internal settlement—the multi-racial transitional Government of Mr. Smith, Bishop Abel Muzorewa, the Rev. Ndabaningi Sithole and Chief Jeremiah Chirau.

If his political options were limited, so were the military options. "In the end, you all know what the answer is," he said, "Manpower. The tragedy is that relief for one area will have to be taken from somewhere else. There are few places in Rhodesia where we don't need this sort of thing."

According to informed military sources, something approaching an astonishing 70 per cent of white farms in the Thrasher operational area, along the eastern border, have already been abandoned. They have taken the worst brunt of the war, but the pressure has spread. "There has been an escalation of the war in recent months." Mr. Dennis Norman, president of the Rhodesian National Farmers' Union (RNFU) said last week. "The incidents are right round the country, although the peripheral farmer is taking the biggest knock."

The pressures the farmers face all stem from the deteriorating security, but their effects are various. The biggest threat comes from a change in guerrilla tactics: instead of attacking white homesteads, they are going for the black farm workers' compounds to frighten the workers away.

"My heart sinks every time I pay my workers, wondering if they will return to work tomorrow," said a farmer from a heavily infiltrated area. "Without labour, our soil is barren."

The call-up itself is a major constraint, taking men up to the age of 38 into the military for up to six months, and men from 38 to 50 for two months a year. Those who can afford it hire guards to look after their farms. Otherwise they may well be hit by cattle rustlers, or lose their workers before they return. If their farms are in a bad security area, they are effectively on active service all year round.

Stock theft from cattle ranches has crippled the industry in some areas. One farmer in Umtali told of losing 350 head this year alone—instead of 400 calves, he would have 100, he said. Farmers have now set up anti-stock theft posses which, combined with mandatory nine-year jail sentences for offenders, have helped curb it. Cattle ranching has also been hit by the collapse of veterinary services.

Guerrillas have destroyed dipping tanks and terrorised fencing teams attempting to cordon off areas of foot and mouth outbreaks. The spread of tsetse fly, once more effectively controlled in Rhodesia than in any other part of Africa, is now said to be worse than at any time this century.

Beef production has still not been too drastically affected. The hardest hit areas have been the tribal trust lands, which supply only about 3 per cent of the market, the cattle being kept for subsistence and as a store of wealth. Tribal agriculture has been worse hit by the war than European agriculture, with tribespeople forced to live in protected villages often too far away from their land to work on it. Consequently they are forced to buy food on the open market, or starve.

In spite of all the pressures, Rhodesian agriculture has had an impressive record in the 13 years since the unilateral declaration of independence (UDI). Output has increased from Rhodesian $174.3m in 1965 to R$509.1m last year. Indeed, 1977 was the first year in which there was any setback—a fall of some 2 per cent in volume—and farmers are predicting renewed growth of between 5 and 10 per cent this year.

New crops, such as wheat, introduced since UDI, have been grown so successfully that Rhodesia is now self-sufficient for all its flour requirements and is exporting grain.

Yet this year farmers are asking themselves whether it is worth planting for the coming season. "It is a question I get asked a lot," Mr. Norman said. "Farmers have got to make up their minds in the next three to four weeks whether they are going to grow their crop or not." Planting has to be done by early November.

"A lot of farmers are hesitating, for viability reasons, for security reasons, and let's face it, for political reasons. Our crops are going to be between one-third and one-half grown, and we could have a new government which may look favourably on white agriculture. Having planted my crops, will my labour be there to reap them?"

If there were any significant reduction in the acreage planted this year, it would have drastic effects on an already ailing economy. Agriculture employs 40 per cent of the country's labour force, provides 40 per cent of the raw material for industry, and earns some 50 per cent of all foreign exchange. "We are the barometer which the country is watching, and watching very closely," Mr. Norman says.

So far there is no obvious sign of farmers giving up fertiliser and seed sales are equal to, or even up on, last year's figures. But the RNFU calculates that only 50 per cent of farmers have committed themselves so far—and they are the most viable 50 per cent. The marginal farmers always leave their purchases to the last minute—indeed it is probably economic viability, rather than the direct security threat, which decides whether or not a farmer quits. But probably one-third of the 6,000 white farmers are operating in economically marginal areas.

One indicator of viability is the growing indebtedness of the sector: in March this year, short-term farm loans totalled R$153m, 18 per cent more than two years previously. Yet over the period, volume of output has shown little, if any, expansion. "We have got to hold the bottom third if at all possible," Mr. Norman said. "For security reasons it is pretty essential."

White farmers represent the conservative heartland of white Rhodesia. Yet ironically, in the outraged backlash which has swept Rhodesia in the wake of the shooting down of the Air Rhodesia Viscount by guerrillas, that community has been least outspoken. The forecasts that Mr. Smith would face an angry audience in Umtali were wrong. It could also be that they will prove more sanguine than their urban counterparts in the face of the inevitable handover to majority rule.

## War toll more than 6,000 in six-year struggle

**RHODESIAN security forces have killed another 32 guerrillas, military headquarters in Salisbury announced yesterday.**

**A communique quoted by Reuter said ten guerrilla *collaborators had also been* killed and three black civilians died in cross-fire. The guerrillas had killed eight black civilians. The communique gave no details of the circumstances in which the shooting took place.**

**According to Rhodesian Government figures, the number of guerrillas killed in the *six-year war is now 5,416*, against 697 members of the security forces.**

# OVERSEAS NEWS

## Fukuda bid to reassure Moscow after Peking friendship treaty

BY CHARLES SMITH

TOKYO, Sept. 20.

JAPAN'S interest in improving its relations with Moscow following last month's signature of the Japan-China treaty of peace and friendship received significant stress in a speech delivered at today's opening session of the Diet by Prime Minister Takeo Fukuda.

Mr. Fukuda said that the improvement of Japan's relations with the Soviet Union on the basis of a "correct mutual understanding" was an important task in the aftermath of the China treaty negotiations. He spoke of closer economic, cultural and personal relations before adding the usual stipulation that Japan will not sign a peace treaty with Moscow (putting a formal end to Second World War hostilities) until the Russians return the four northern islands occupied at the end of the war.

Mr. Fukuda did not refer to the Soviet suggestion that a good neighbour agreement should be negotiated between the two countries pending final agreement on the peace treaty. His statement did seem to imply, however, that Japan is anxious to dispel the impression of bias towards China in its relations with the two Communist State powers. In order to do this, symbolic action of some kind towards the Soviet Union would seem necessary.

Mr. Fukuda's statement coincides with the return from Moscow a few days ago of the Soviet ambassador to Japan after a long absence, coinciding with the final stages of the China treaty negotiations. Another positive development from Moscow today was the statement reported to have been made by Mr. Alexei Kosygin, the Soviet Prime Minister, to a Japanese visitor that Moscow would be interested in seeing a Japanese draft of a good-neighbour agreement if the original Soviet draft is unacceptable to Tokyo.

A copy of the Russian draft was handed to Mr. Sunao Sonoda, Japan's Foreign Minister, during ministerial consultations in Moscow last winter. The Japanese foreign ministry claims that although it received the draft during Mr. Sonoda's visit it did not formally accept it. The ministry also claims that the Soviet draft was not studied in Tokyo until after the Russians had unilaterally published the text last spring.

An alternative to the Soviet proposal for a good neighbour agreement would seem to be a trade agreement or possibly a more comprehensive economic pact committing Japan and the Soviet Union to joint action in the development of Siberian natural resources. This would make good business sense from Japan's point of view since the reserves of coal, gas and minerals which the Russians are anxious to develop inside Siberia would be useful to Japanese industry.

Whether a strictly economic pact would be seen by the Russians as an adequate counterpart to the China peace and friendship treaty is more doubtful. What appears certain is that the Soviet Union will not concede Japan's claims to the four northern islands as the price for gaining parity with the Chinese.

## China and Vietnam vie for S-E Asia

By David Housego

CHINA and Vietnam are stepping up their rivalry for influence in South-east Asia.

With the Vietnamese Premier Pham Van Dong now in Jakarta on a three day visit to Indonesia following official visits to Thailand and the Philippines, Peking Radio has warned South-east Asian states to be on their guard against Vietnam. It denounced as hypocrisy Vietnam's praise for ASEAN proposals for a zone of peace and neutrality in the region.

Peking Radio declared that once Vietnam — "this surrogate of the Soviet Union" — had succeeded in worming its way into ASEAN," it would try to draw various South-east Asian countries into the Russian orbit.

Pham Van Dong is making his extensive tour of the ASEAN states in an attempt to win their support for Vietnam's position in its quarrel with China. He is also attempting to forestall their fears that the collapse of Pol Pot's regime in Cambodia could lead to the establishment of a puppet pro-Vietnam government.

To this end he pledged at a state banquet given for him in Manila by President Marcos that Vietnam would do its best to join other South-East Asian nations "in their common efforts to form a zone of peace, independence, freedom and neutrality, a stable and prosperous zone."

Though South-East Asian nations for the moment find some relief in this feuding between the Communist states they are more woried by the long-term threat to stability from a major power struggle in the region. Most had been hoping to establish friendly relations with both China and Vietnam but this could become increasingly difficult.

The Chinese Vice-Premier Teng Hsiao-ping is expected to visit the Philippines in the near future.

## Russians warn India over Chinese link

By Our Own Correspondent

NEW DELHI, Sept. 20.

MR. A. B. VAJPAYEE, India's Foreign Minister, returned to Delhi today from a 10-day trip to the Soviet Union and Afghanistan. During the visit, he apparently heard strongly-worded warnings from the Russian leaders on the dangers of India drawing closer to China.

Mr. Vajpayee is due to visit China in early November—the first visit to be made by an Indian Foreign Minister to Peking since the Sino-Indian conflict 16 years ago.

Trade and cultural exchanges with China have recently been increasing as part of the thawing in relations between the two

The Chinese are said to have told Dr. Subrahmaniam Swamy, a prominent Janata member of Parliament at present in Peking, that they were ready for negotiations on the disputed border

Any reconciliation between India and China should, however, be seen in the context of continuing rivalry between the two States and of India's apprehensions about China's more active foreign policy.

Certainly, the Indian Government sees the Soviet Union as an indispensible counter-balance to Chinese power.

## UK visit planned by Hua

BY COLINA MACDOUGALL

CHAIRMAN HUA KUO-FENG of China hopes to visit Britain and France next year, he announced at a dinner for M. Jacques Chirac, the Gaullist leader, in Peking on Tuesday.

Although it was known that Chairman Hua would be visiting France, Britain had not previously been mentioned. Its inclusion is of particular significance on this first-ever trip to Western Europe by either of China's top leaders, Chairman Hua or his predecessors Mao Tse-Tung.

It will be the first time Peking has planned to send a senior leader abroad without first receiving his opposite number at home.

No British Prime Minister in office has yet made a visit to Peking. In 1976, the late Mr. Anthony Crosland, then British Foreign Minister, went to China.

Both the late President Georges Pompidou and Premier Raymond Barre of France have visited Peking. To this extent, Britain could be seen as particularly favoured, since the Chinese appear to be pressing the relationship to a new level.

The British Government has said that Chairman Rua was welcomed at any time, but hitherto visits have involved lower-level figures such as the Foreign Trade Minister last year, a succession of Economics Ministers this spring, and the impending arrival of Huang Hua, China's Foreign Minister, on October 10.

No date for Chairman Hua's visit has been discussed. In any case, it would have to be timed to avoid next year's General Election.

The Chinese decire to cement relations with Western Europe would seem to be the main motive for the trip.

Besides attempting to point out the dangers presented by the Soviet Union, Peking is looking keenly towards France, Britain, West Germany, and to some extent Italy, for vital industrial plant for its modernisation programme.

Britain appears to have regained the place it held in Chinese thinking during the early 1970s, when under the Conservative Government it was strongly pro-Europe and economically fairly stable.

It slipped in Chinese eyes when the energy crisis led in 1974 to the collapse of the Heath Government, rapid inflation and increasing talk about Moscow-aligned "Reds under th ebed."

Peking's distrust of the Labour Party's leadership has given way slowly to greater confidence as the Callaghan Government has avoided extreme policies and restored a measure of economic stability.

## Fiji insurance

SUVA, Sept. 19.

SOME DOZEN foreign insurance companies have joined the Fiji Government in forming a national re-insurance company. Mr. A. Amerasinghe, the Commissioner of Insurance, said today that the object was to reduce the drain of foreign reserves caused by the outflow of re-insurance payments, now totalling about F$5.5m (US$6.5m) annually.

"It is meant to be a profitable venture, run on commercial lines," he said.

AP-DJ

### THE MIDDLE EAST

## Sadat plans to go ahead

BY ROGER MATTHEWS

CAIRO, Sept. 20.

PRESIDENT ANWAR SADAT intends to press ahead with plans to achieve an overall Middle East peace settlement, even without the active support of Jordan and Saudi Arabia. "I did not start this peace process only to retreat or to stop in the middle of the road," he is reported as saying by Cairo newspapers this morning.

The Egyptian leader confirmed in Washington that on his return at the weekend he would start a "total and complete change" in the structure of the state and would be forming a new Cabinet. It will be his second reshuffle in four months and the sixth major change in five years.

Mr. Sadat's reported disappointment at the critical reaction of Jordan, Saudi Arabia and Kuwait, to the Camp David arrangements was mirrored by officials in Cairo. But they emphasised that none of the three moderate Arab states, whose attitudes are vital to a successful peace process, had attempted to shut the door on negotiations.

Saudi Arabia's promise that it would not interfere in any Arab State's efforts to regain occupied territory by peaceful or by military means is seen here as tacit backing for President Sadat's efforts. It is also regarded as another classic example of Saudi fence-sitting whereby it seeks with increasing difficulty to maintain good relations with all the elements of the Arab world.

In most quarters it was assumed that the Saudi statement meant that Egypt could be assured of continued economic aid, the single most vital factor in Cairo's relationship with Riyad.

As for Jordan, there is some sympathy for King Hussein in view of the tightrope that he continues to walk. It is still hoped that after the visit to Amman, Mr. Cyrus Vance, the U.S. Secretary of State, will agree to take part in the negotiations.

Meanwhile, some fears are being expressed in Cairo about the temptation for Mr. Menahem Begin, Israel's Prime Minister, to re-interpret the Camp David agreements once he is released from persistent and concentrated U.S. pressure.

Mr. Begin's statement that Israel would keep troops on the West Bank of the Jordan well beyond the proposed five-year transition period was considered to be obstructive to prospects of persuading King Hussein to join the negotiations.

## Israel reacts calmly to rebuff

BY OUR OWN CORRESPONDENT

JERUSALEM, Sept. 20.

ISRAELI LEADERS reacted coolly today to the rebuff handed out by Jordan and Saudi Arabia to the Camp David agreements. It was widely noted that neither government seemed to have closed the door completely on taking part in the peace process. In any case, optimism was high that Egypt would sign a separate peace agreement even if no other countries joined the negotiations over the West Bank and Gaza.

But before talks on the Sinai pact can start the Government must secure approval of the Knesset (Parliament) for pulling Jewish settlers out of Sinai and handing over two military airfields, which until recently were being described as crucial to Israel's defence.

Israeli leaders showed no concern about their chances of securing Knesset approval, despite past emotional statements about the sanctity of the Sinai settlements. The Prime Minister, Mr. Menahem Begin, who earlier this year was saying the Sinai settlers had invested too much sweat for Sinai to be abandoned, was quoted in the Jerusalem Post today as saying in Washington: "Leave it to me . . . if we have a debate it will be among friends."

Foreign Minister Mr. Moshe Dayan has been refusing to say how he will vote in the Knesset. But he has pointed out that a vote to keep the settlements would be throwing away the greatest chance of peace in 30 years.

Mr. Begin is to meet Mr. James Callaghan, the UK Prime Minister, and Dr. David Owen, the Foreign Secretary, for one hour's briefing on the Camp David talks when his aircraft arrives at Heathrow from Washington on Friday morning on its way to Tel Aviv.

Reuter

## U.S. envoy arrives to seek Arab support

AMMAN, Sept. 20.

MR. CYRUS VANCE, the U.S. Secretary of State, arrived in Jordan today on a Middle East tour to try to sell the Camp David peace accords to key Arab states.

Mr. Vance is expected to go immediately into talks with King Hussein to seek his support for the agreements. He will also visit Saudi Arabia and Syria.

Reporters on Mr. Vance's aircraft were told he plans to put pressure on King Hussein and tell him that failure to join the peace process would also affect U.S.-Jordanian relations.

The Secretary of State does not expect the king to make up his mind for some weeks, possibly not until after his visit to Washington next month.

Both Jordan and Saudi Arabia have criticised the accords.

The Jordanian Cabinet, chaired by King Hussein, said on Tuesday that "Jordan . . . is not legally nor morally bound by any obligations regarding issues which it had not participated in discussing, formulating or agreeing to."

Mr. Vance told journalists he felt the Jordanian Government statement was carefully drafted to leave King Hussein's options open. But he would have preferred the Saudis not to have issued their more hostile reaction until he arrived.

Reuter

## Baghdad TV order

**A consortium of three Japanese companies has won an Y8.1bn (£21m) order from Iraq to build a colour television and radio centre in Baghdad for the Government, Reuter reports from Tokyo. The companies are Mitsubishi, Pacific Consultants International and Toshiba.**

## Syrians play down Vance meeting

By Our Foreign Staff

THE MEETING of the Arab states opposed to the initiatives of President Sadat of Egypt towards Israel was due to open yesterday afternoon in Damascus. Mr. Cyrus Vance, the U.S. Secretary of State, whose arrival was postponed because of this meeting, is scheduled to arrive in Damascus after visits to Jordan and Saudi Arabia.

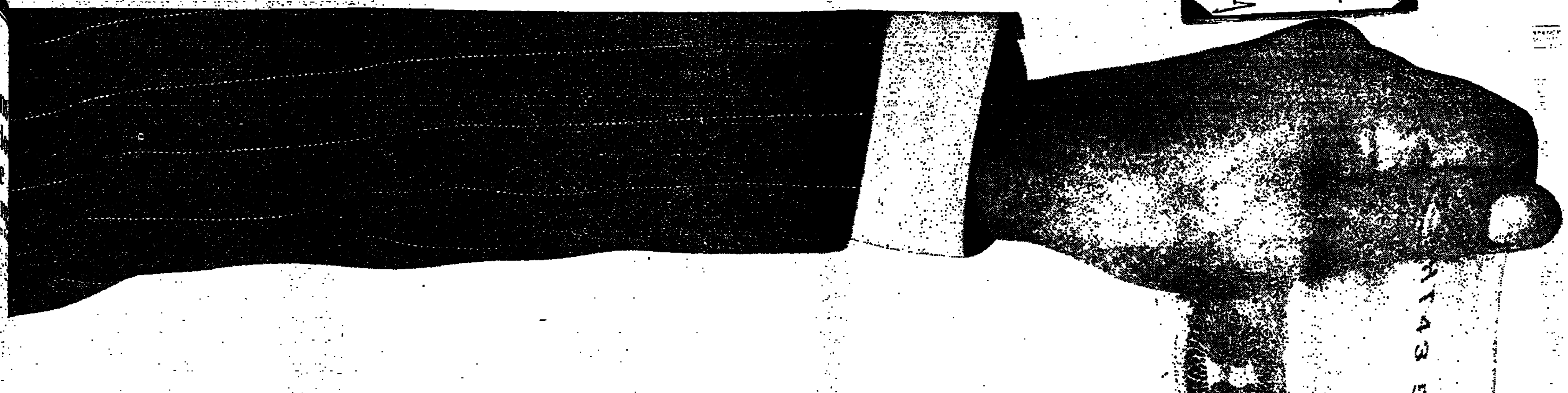
The Syrian Press has completely ignored the forthcoming visit. One Syrian official said that "the agreement of President Assad to meet Vance is nothing but a polite gesture towards President Jimmy Carter who requested this meeting and no significance should be attached to it."

The fact that Mr. Assad is prepared to receive the U.S. envoy suggests that Syria has not taken an irrevocable position yet, although the Syrian media has been accusing Mr. Sadat of treachery. Yesterday, as the leaders of Algeria, Libya, South Yemen and the Palestine Liberation Organisation (PLO) gathered for their conference, the Government daily newspaper, Tishrin, called on the members of the "steadfastness front" to provide support to enable Syria "to confront the Camp David agreements." It also called for "help and protection of the Jordanian King as he will be facing American promises and threats to join in the negotiations"

The meeting in Damascus is the front's third. The group's effectiveness has been hampered by the absence of Iraq, which is at ideological odds with Syria. According to officials in Damascus, the participants will concentrate on as yet undefined actions to foil the Camp David agreements.

On the Palestinian side, importance was being attached to the fact that Mr. Yassir Arafat, the PLO leader, was being accompanied by Dr. George Habash, the leader of the radical Popular Front for the Liberation of Palestine.

Kuwait yesterday joined Saudi Arabia in its criticism of the Camp David agreements. A statement issued after a cabinet meeting said a just and permanent Middle East peace was possible only if Israel withdrew from all occupied Arab territories. Qatar added its views yesterday, describing the Camp David framework as an "unsuitable basis for a just and comprehensive peace."



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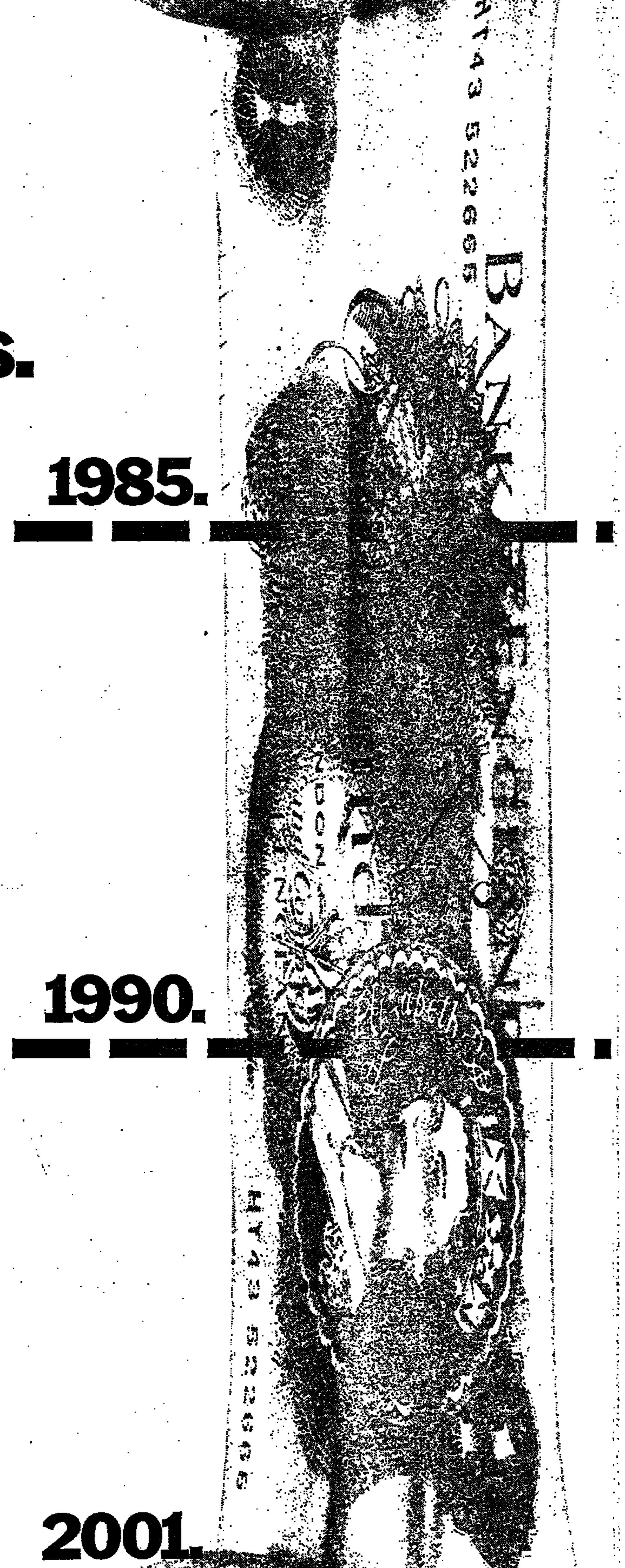


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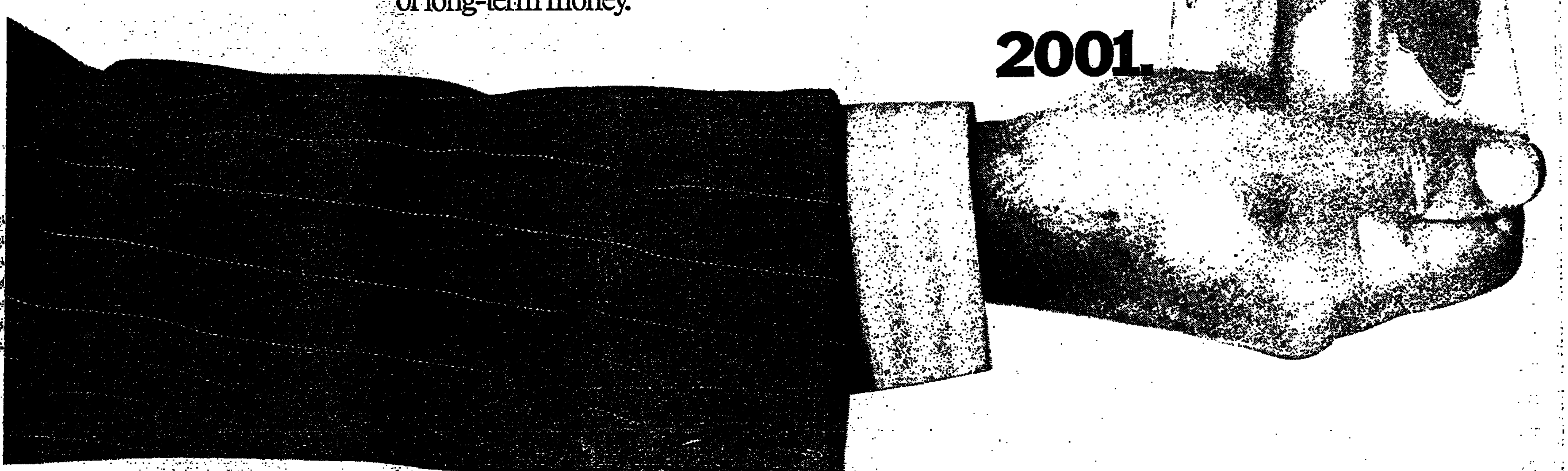

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## AMERICAN NEWS

# Commonwealth urged to press case for more aid

BY JUREK MARTIN MONTREAL, Sept. 20.

COMMONWEALTH Finance Ministers were urged today to take the lead in securing greater resources for developing countries at the annual meetings next week of the International Monetary Fund and World Bank in Washington.

Mr. Shridath Ramphal, Commonwealth Secretary-General, presented a broadly pessimistic survey of the economic position and prospects of developing countries, at the opening session of the two-day meeting of Commonwealth Finance Ministers in Montreal.

He called on Ministers from the 37 participating countries to "enter into commitments to take specific action and to provide the confidence and assurance which others need if they are to take the bold steps that global interests demand."

Mr. Ramphal called for enlargement of the capitalisation of the World Bank, and early agreement on the sixth replenishment of the resources of the International Development Agency, the soft loan arm of the bank. He also called for support for efforts to make a reality out of the already agreed fourth and fifth replenishments of the agency, to give the bank "a real chance to increase its help to those countries most desperately in need of concessional assistance."

The secretary-general deplored "the record of delay" in implementing the increase in the capacity of the IMF to help developing nations. He noted that no agreement had yet been reached on either a new allocation of special drawing rights or on the enlargement of quotas available to member countries, both of which are high on the IMF agenda this week. He noted that the Witteveen supplementary special financing facility of about $10bn had been agreed but not yet activated.

Criticising the terms which the IMF imposes on nations which borrow from it, he said: "Conditionality remains out of tune with economic, social and political realities."

Mr. Ramphal regretted the inability of the industrialised world to meet the UN target that 0.7 per cent of Gross National Product should be allocated for development assistance. He deplored the "peril of protectionism" from the industrialised world, which he said was causing the deepest alarm among developing countries.

"When a developed country invokes considerations of national security to limit the import of rubber shoes, when the need for developing solar drying technology is held to justify curbs on the import of clothes-pegs, scepticism about the commitment of the north to structural change can hardly fail to grow."

In a report on progress towards a new economic order among developing countries, Mr. Ramphal said the record was of "dialogue without decision . . . of decision without action . . . of despair piled upon frustration."

# Fed upward pressure on rates

BY OUR OWN CORRESPONDENT NEW YORK, Sept. 20.

THE FEDERAL RESERVE today confirmed many expectations by putting further upward pressure on short-term U.S. interest rates.

Most observers had expected the Fed's open market committee, which sets interest rate strategy, to decide at its monthly meeting yesterday to continue its recent policy of modestly increasing the Fed funds rate, in a bid to restrain the growth in the supply and to put a lid on the inflation rate.

This morning, the Fed's open market activities pointed to an increase in the Fed funds rate target from 8½ per cent to 8⅝ per cent. Federal funds are the uncommitted reserves which banks lend each other, and their cost is a basic determinant of interest rates attached to other forms of short-term credit.

U.S. short-term interest rates are now running at their highest levels for three years or more, and the move by the Fed could soon have some impact on bank prime rates, which rose to 9¼ per cent only last Friday. In addition, the Fed's discount rate, which is the charge on member bank borrowings at the Fed, may well be in jeopardy, since the differential between the 7¾ per cent discount rate and 8½ per cent funds tends to weaken the monetary control force of the latter by encouraging more borrowing from the Fed.

As so often in the last three months, the factors which have prompted the action are a combination of a higher than acceptable inflation rate, continuing concern about the dollar, increases in the money supply which are repeatedly above Fed targets, and a stronger than expected performance by the U.S. economy in the last quarter.

However, some economists doubt whether raising the funds rate by ⅛ per cent at a time is as effective an approach as the tactic frequently used in the past of lifting the rate by ¼ per cent or more in reaction to large increases in the money supply. The $4.7bn increase last week in the M1 measure was seen as pointing to a round of credit tightening this week, but it is being questioned as to whether small increases in the funds rate target have any impact on curbing excessive monetary growth, and also whether it is good for the Fed's credibility to appear a reluctant opponent of inflation fighter.

But it is apparent that the Fed, in the absence of any powerful credible, anti-inflation policy from the Carter administration, is determined to balance the requirements of monetary management against the political storm which might be unleashed, if it were held responsible for plunging the U.S. economy into a recession.

The Fed's move halted a stock market attempt to rally after six consecutive sessions of decline, and brought on a wave of selling in the bond market. Treasury issues fell by as much as a ½ point, and some corporate bonds by more.

# Carter 'will not penalise labour'

BY STEWART FLEMING WASHINGTON, Sept. 20.

PRESIDENT CARTER told a steelworkers' convention to-day that he would soon unveil "a strengthening of our limited arsenal of weapons against inflation."

With the knowledge that organised labour is firmly opposed to voluntary wage controls, the President promised that the new anti-inflation policy would not penalise labour.

Earlier this week before the same audience Mr. George Meany, the president of the American Federation of Labour and Congress of Industrial Organisations underlined his opposition to a stricter wage policy. The President's economic advisers are believed to be pressing Mr. Carter to adopt strong wage and price guidelines or standards, but the Administration is obviously concerned about the political impact of such a policy particularly on the labour movement.

The President received a warm and enthusiastic welcome from the thousands of delegates at the Atlantic City convention centre, clearly a response to his diplomatic success at the Camp David talks on the Middle East.

Mr. Carter gave no indication of the direction in which he is leaning on economic issues. Indeed, this could scarcely have been expected since for the past two weeks, while the debate over anti-inflation policy intensified, he has been occupied with the Middle East.

His careful remarks on anti-inflation policy seemed designed primarily to rally support within the labour movement. He said he rejected the policies of the past for fighting inflation and declared that it was morally wrong to fight inflation by throwing millions of Americans out of work.

He promised that the eventual strengthening of the anti-inflation policy would not penalise labour or any other group in society. But he said that the policy would be tough and appealed to the labour movement to consider it with open minds.

# China seeks tourism help

BY OUR OWN CORRESPONDENT NEW YORK, Sept. 20.

THE CHINESE Government is making tentative approaches to a number of U.S. companies by way of seeking proposals to develop its tourist industry.

Mr. Henry Liu, a Chinese-American architect, has been authorised to start preliminary investigations aimed at promoting tourism in general and hotel construction in particular. Discussions with Intercontinental Hotels, a Pan-American World Airways subsidiary, appear to have been the most productive so far, and a delegation from the company may go to Peking next month.

Mr. Liu has also had discussions with Hilton International, a unit of Trans-World Airlines, and with Western International Hotels, a unit of UAL Inc. The link between these hotel companies and airlines is a significant one, in that Pan-Am and others have recently filed proposals with the Civil Aeronautics Board to start regular services to China.

The fate for the proposals depends ultimately on an agreement between the U.S. and Chinese governments, but it is thought that the Chinese will allow no big expansion of services until it has better facilities for tourists.

# Nicaragua 'strafed border town'

BY HUGH O'SHAUGHNESSY

AN INVESTIGATING commission of the Organisation of American States is reported to have found clear evidence of strafing attacks by the Nicaraguan air force on the Costa Rican frontier town of Penas Blancas. "Everything seems to indicate that there was a violation of territory," said Sr. Kemil Dipp, the Dominican head of the OAS commission, quoted by Inter-Press Service, in San Jose, the Costa Rican capital.

Colombia has now joined Venezuela and Panama in sending military aid to Costa Rica, which has no army.

The fighting between supporters and opponents of the rule of Gen. Anastasio Somoza in Nicaragua is the subject of a meeting of OAS foreign ministers, to be held in Washington today.

President Carlos Andrés Pérez, the Venezuelan President, and Gen. Omar Torrijos, the Panamanian ruler, met on Monday to co-ordinate policy on Nicaragua. Both leaders have adopted critical attitudes to the conduct of Gen. Somoza in putting down the present insurgency.

Sr. Pérez is expected to fly to New York to speak at the United Nations on the Nicaraguan question on Monday.

With censorship imposed on Press reports from Nicaragua, it is difficult to get an accurate assessment of the activity of anti-Somoza groups. Journalists visiting the provincial town of Chinandega, which has been recaptured by Somoza troops after insurgents held it for some days, report much damage and killing. Reuter reports that a bulldozer was brought in to bury bodies in a common grave.

# Nova Scotia Liberals ousted

BY OUR OWN CORRESPONDENT MONTREAL, Sept. 20.

IN A surprise provincial election result, the Progressive Conservative Party, led by Mr. John Buchanan, has ended the eight-year tenure of government in Nova Scotia by the Liberal Party, led by the Premier, Mr. Gerald Buchanan.

The election was fought largely on economic and local issues. The Conservatives won 31 of the 52 seats in the provincial legislature, against 17 for the Liberals and four for the New Democrats, who had built most of their strength in industrial Cape Breton.

Conservative provincial governments now hold Newfoundland, Nova Scotia and New Brunswick. Recently, the Liberals kept control in Prince Edward Island by only one seat.

High prices of energy contributed strongly to the defeat of the Nova Scotia Liberals.

Mr Buchanan said his first priority would be jobs. But, with federal cuts in social security programmes and a depressed provincial economy, mainly in the Halifax-Dartmouth area, his task will be formidable.

Victor Mackie writes from Ottawa: A gloomy prediction about the growth of the Canadian economy in 1979 is made by the Conference Board in Canada in its latest forecast.

Higher unemployment and a weaker economy will obtain next year, unless the Canadian Government brings in counteracting measures, such as tax cuts, the agency said today.

While it expects a 4 per cent growth in the Gross National Product in 1978, the Board has now revised its projections and sees a lower growth in 1979—down to 3.7 per cent. It blames this on the weaker outlook for the U.S. economy and the shift towards a more restrictive position on the fiscal and monetary fronts by the Ottawa Government.

Unemployment is expected to increase throughout 1978 and 1979, to reach a rate of about 9 per cent by the end of next year.

Inflationary pressures, spurred by increases in food prices, are continuing to plague the economy. By eroding householders' incomes, inflation has reduced the real spending on consumer goods and weakened the climate for investment spending, said the board.

For 1978, the consumer price index will increase by just over 9 per cent, although a moderating trend should be evident before the end of the year.

# Senators alter tax Bill to help business

By John Wyles

NEW YORK, Sept. 20.

THE SENATE Finance Committee has added significantly to the $16.3bn tax reduction Bill passed by the House of Representatives, by allowing business a swifter depreciation rate on plant and equipment.

The new provisions, adopted yesterday, are in line with measures which have been generally advocated to assist corporate investment and industrial modernisation. But the move offers few clues as to what the committee will do on the other proposal which, it is claimed, will prove a tonic for business investment. That is the reduction in the maximum rate on individual capital gains from 49 per cent to 35 per cent, which the House has approved.

The move has been strongly opposed by the Administration which was unhappy to see its proposal for a cut in the top corporate tax rate from 48 per cent to 44 per cent by 1980 modified to establish a new rate of 46 per cent so as to make money available to cut capital gains taxes.

Action to allow swifter depreciation was advocated by Mr. G. William Miller, chairman of the Federal Reserve, earlier this month. The Senate Finance Committee has now raised from 20 per cent to 30 per cent the margin by which businesses may deviate from depreciation rates established by the Internal Revenue Service.

These form the basis of the asset depreciation range system which was approved by Congress in 1971 and which authorised the Treasury to publish "useful lives" for various classes of assets. Corporations were permitted to calculate depreciation based on these lives rather than on a cumbersome alternative method in which the useful life and salvage value of each asset was determined according to "facts and circumstances."

Under the 1971 measure, businesses could depreciate assets at a rate either 20 per cent lower or 20 per cent higher than the asset lives determined by the Treasury. It is estimated that changing this margin to 30 per cent will cut business taxes by $513m next year and by $3bn a year by 1983.

The reduction in corporate taxable income should, it is argued, provide a much needed stimulus for capital investment which has been lagging behind earlier levels through most of the current business recovery.

Although the Senate is expected to pass a tax Bill providing for larger individual and corporate reductions than in the House version, it is not at all clear what the overall benefit will be. President Carter told the United Steelworkers' convention in Atlantic City today that he expected a tax cut of $25bn or more by fiscal 1980 which starts in October of next year.

# Second quarter GNP growth was 8.7%

WASHINGTON, Sept. 20.

REAL GROWTH in the U.S. gross national product was revised upwards to a seasonally adjusted annual rate of 8.7 per cent in the second quarter from the previous revision of 8 per cent and the originally reported 7.4 per cent, the Commerce Department said.

But the department also revised upwards its estimate of second-quarter inflation to a seasonally adjusted 11 per cent annual rate, from the previously reported 10.7 per cent.

In the first quarter, real gross national product declined at a 0.1 per cent annual rate, following a 3.2 per cent rise at an annual rate in the fourth period of last year.

Agencies.

# Symington joins Arab bank bid

By Our Own Correspondent

WASHINGTON, Sept. 20.

ANOTHER PROMINENT U.S. political figure, Mr. Stuart Symington, a former Missouri Senator, has been recruited to play a role in the acquisition of Financial General Bankshares by a group of Arab investors who own stock in Bank of Commerce and Credit International (BCCI).

According to documents filed with the Securities and Exchange Commission, two Arabs who own almost 10 per cent of the Financial General stock have agreed to give Mr. Symington voting power over their interest in the bank.

Mr. Bert Lance, a former U.S. budget director, is already acting as a consultant to BCCI, the bank based in London and headed by Mr. Aga Hasan Abedi, a Pakistani banker.

It is not clear how Mr. Symington, who sought the Democratic presidential nomination in 1960, became involved in the nine-month-old struggle for control of Financial General. Nor is it clear why the two Arab investors should want to place their stock in the hands of a U.S. voting trustee.

U.S. COMPANY NEWS

Ford price moves may help Pinto: SEC probes Bache share dealings: Citibank paper auction result Page 25

## WORLD TRADE NEWS

# Italians to step up bid for more trade with Chinese

BY PAUL BETTS ROME, Sept. 20.

ITALY is about to intensify attempts to promote trade exchanges with China in the wake of recent Chinese overtures to industrialised Western countries.

Sig. Rinaldo Ossola, the Italian Foreign Trade Minister, is to lead a delegation to Peking, while the Chinese Foreign Minister, Mr. Huang Hua, is scheduled to visit Italy next month.

At the centre of talks between Italian and Chinese officials is expected to be a package of deals involving some of Italy's major private and state companies. At the same time, the discussions are likely to focus on the possible opening of credit lines for Italian ventures in China.

Among the possible longer-term deals is collaboration in Chinese oil exploration by Ente Nazionale Idrocarburi, the Italian state hydrocarbon group, which now appears to be seeking to expand its activities in the Far East.

Last week, ENI successfully negotiated a $200bn medium-term loan from a consortium of Japanese banks.

The Turin-based Fiat group, Italy's largest private enterprise, is also discussing with Peking the possibility of selling farm machinery and eventually the construction of a car manufacturing plant in China. However, the Italian company said today that the car venture was still at a purely hypothetical stage.

Italy is now attempting to widen its export base, and in this context has reorganised and rationalised the activities of its foreign trade institute, ICE. The Foreign Trade Minister is also scheduled to visit Kuwait and Abu Dhabi next month before his mission to China as part of the continuing promotion of Italian goods and services in Middle East oil producing countries.

● Alitalia will provide an information system to Saudia airlines to manage distribution of spare parts for repairs and maintenance, AP-DJ reports from Rome.

The three-year contract is valued at more than $6m. It calls for Alitalia to provide computer programs plus technical and managerial training to Saudia, the Saudi Arabian national airline.

In addition, Saudia will have use of a central computer in Italy for two years. It will be hooked to Saudia's system in Jeddah by cables owned by Italcable.

The contract is significant because it marks the first time Alitalia has sold computer software in a Middle East market.

Since 1972, Alitalia has sold information systems to several foreign airlines, including KLM, Pan American, and British Airways.

# Tokyo complaint on fibres

TOKYO, Sept. 20.

JAPAN'S nine major man-made fibre manufacturers have said they will file a complaint soon with the Finance Ministry against the alleged dumping of acrylic staples, chiefly by the U.S. and Taiwan.

Imports of acrylic staple have risen sharply in the past few months, mainly because of the yen's appreciation. Imports now constitute about 10 per cent of domestic consumption and are about 25 per cent less expensive than domestic prices.

The Japanese manufacturers said they were also preparing a complaint to the Finance Ministry against the alleged dumping of Taiwanese polyster staple and textured polyster yarn and South Korean georgette fabrics.

Meanwhile, the Japan Chemical Fibres Association, said Japanese textile imports in August exceeded exports by $21.8m on a customs clearance basis.

It was the first time since March 1974 that the monthly textile import figure exceeded that of exports. Imports in August totalled $431.1m while exports were $409.3m.

In yen terms, August imports totalled Y82.425bn while exports totalled Y78.161bn. July imports were Y82.120bn and July exports were Y89.902bn.

AP-DJ.

# Aid for Arab shipping company

BY JAMES BUCHAN JEDDAH, Sept. 20.

SHAREHOLDING countries in the Arab Maritime Petroleum Transport Company (AMPTC) are to subsidise the operating expenses of the company in proportion to their holding, the company's general assembly decided in Taif yesterday.

After a meeting of Arab Oil Ministers, Dr. Abdul Hadi Taher, governor of the Saudi State petroleum organisation Petromin, said: "The company's considerable losses because of the decline of world tanker charter rates has obliged us to reconsider the company's operations."

To prevent any further loss through idle tonnage, the Ministers decided that company tankers should receive certain "privileges" in carrying oil and gas from member countries but only at competitive rates.

"There can be no laws guaranteeing a profit for the company," Dr. Taher said. "But there can be privileges based on sound competitive principles."

Company tankers should be available for charter by member countries at competitive rates, Dr. Taher said. AMPTC has eight crude tankers, four of which are ULCCs and one a VLCC.

The company is also expected to take delivery of the first of two LPG tankers at the end of this year. According to the American Oilgram weekly, Saudi Arabia was to be asked to stipulate that a portion of the LPG from Ras Tanura be carried in one of the vessels. AMPTC would ask Kuwait to charter another LPG tanker.

But there was no immediate confirmation that the Ministers had agreed to the deals. The Saudi deal could not go into effect before the end of 1979, according to Oilgram. Clearly neither Saudi Arabia nor Kuwait are willing to subsidise the company's losses through taking liftings at other than competitive rates. Instead the operational losses will be spread across all nine members.

"Of course, the company can diversify its sources of revenue," the Kuwaiti Oil Minister said after the meeting. "But it would be better if it continued the operations for which it was formed."

The Kuwaiti Minister was sanguine that world tanker rates would harden shortly and the company emerge from its present financial difficulties.

# Brazil eyes Japanese 'bullet' train

By Diana Smith

RIO DE JANEIRO, Sept. 20.

BRAZIL'S TRANSPORT Ministry is seriously considering a $3.5-$4bn purpose built idea—the Japanese "bullet" train, on the heavily-used Sao Paulo-Rio de Janeiro run.

It appears that Transport Minister Dirceu Nogueira, in a recent visit to Japan, became enthused by the "bullet" and is determined to see it repeated on home ground.

Although Brazilian industry would not be able to build the special carriages or sophisticated computerised signalling and control systems, it would, the Transport Minister says, be able to join in the project up to the point where the rails are laid.

The decision on whether or not to buy the bullet train package will only be made six months or a year from now. First a feasibility study must be made, the Transport Minister said to assess how much it will cost a passenger to use the train and make the investment worthwhile. A rough estimate indicates that the fare would be something in the region of $25 one way—60 per cent of the present air shuttle service fare.

At the moment Sao Paulo and Rio—Brazil's most heavily-populated cities (12m and 10m inhabitants respectively) are linked by an air shuttle which departs every half hour (a 40 minute flight) and conventional rail links involving a journey of about six hours and a bus service.

The frequency and speed of the air shuttle makes it a magnet for commuting businessmen—and it is this sort of clientele which the bullet train would expect to attract.

The Transport Minister has indicated that Japanese banks are already keen to offer Brazil suppliers' credits for the bullet train.

# Swiss head 'fleet league'

BY GUY HAWTIN FRANKFURT, Sept. 20.

SWITZERLAND now has 24 ocean-going freighters, comprising a total of 228,965 gross registered tonnes and making up 44 per cent of the shipping tonnage owned by the world's land-locked states, according to the latest reports of the West German Institute of Shipping Economics.

Only eight of the world's 26 land-locked nations own merchant fleets. Czechoslovakia is second in the league with 14 ships, with an aggregate 149,049 gross registered tonnes, while Hungary and Austria, both on the Danube, come third and fourth with 19 freighters totalling 62,136 GRT and 11 ships totalling 48,896 GRT respectively.

The institute reports that Austria has seen a rapid decline in its merchant fleet during the past five years. In 1973 it stood at 55 vessels of a combined 101,896 GRT.

Paraguay comes fifth in the league with 23 ships of an aggregate 20,193 GRT. Zambia beats Uganda to the post for the sixth place. Each owns only one ship but Zambia's is 5,513 GRT while the Ugandan vessel is 5,510 GRT.

The land-locked states' fleets together account for only one per cent of the globe's gross registered tonnage.

# U.S. light aircraft boost

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SALES world-wide of U.S.-built business and executive aircraft are now running at record levels, according to the U.S. General Aviation Manufacturers' Association.

For the eight months to the end of August, total business and light aircraft sales of all kinds totalled 11,889 aircraft, worth nearly $1.3bn. These figures were up 18.8 per cent by value and up 6.8 per cent by number of aircraft on the same period a year ago.

U.S. light aircraft makers exported 2,431 aircraft in the eight months, worth nearly $306m, a rise of about 34 per cent by value, although the number of aircraft involved remained steady.

An analysis of sales by type of aircraft showed that single-engined aircraft remained the most popular, with total deliveries of 9,206 in the first eight months, up 7.1 per cent, with multi-engined types accounting for 1,648 aircraft, up 13 per cent.

# Cheap Asia to Europe flights

By D. P. Kumar

NEW DELHI, Sept. 20.

A NEW AIRLINE, Free Skies Airways, has been formed to provide low budget air transport between Asia and Europe.

The Asian representative of the airline, Mr. D. C. Mehra, said the one-way fare from any point in Europe to any point in India, Pakistan, Sri Lanka and Bangladesh would be about £85. Other airlines at present charge over £320 for a round trip of UK-India-UK for instance.

The airline, registered in Luxembourg, has been formed by five Asians living abroad. The new airline will hire or lease a wide-bodied aircraft or Boeing 747 for the flight between Europe and Asia which would have one stop at the United Arab Emirates.

# Davignon explains U.S. steel sales

By Giles Merritt

BRUSSELS, Sept. 20.

THE MASSIVE increases in EEC steel exports to the U.S. which have provoked threats of retaliatory curbs were artificially inflated during July, Viscount Etienne Davignon, the EEC Industry Commissioner, claimed here today. Commissioner Davignon indicated that the 72 per cent jump in steel shipments during that month from June was an isolated phenomenon and that EEC steel sales there have since reverted to the average levels of the first half of 1978.

But although Commissioner Davignon told a Press conference today that the threat of a rise in the minimum trigger price had prompted U.S. buyers to increase their steel purchases, U.S. sources here have indicated that this explanation has yet to be accepted as the sole reason by the U.S. Administration. There remain fears that the figures for August will shortly show that the new trend has been sustained.

The trigger prices are due to rise on October 1, bringing the increase so far this year to around 10 per cent, and the U.S. industry is reportedly concerned that EEC sales to the U.S. will have remained high throughout the third quarter of this year. For the first six months of 1978 EEC steel comprised an average 35 per cent of U.S. steel imports, while for July it jumped to 42 per cent.

Should the U.S. figures for August confirm this trend there is believed to be a real danger of U.S. companies re-instituting their anti-dumping suits against EEC producers. Earlier this month the British Steel Corporation urged other EEC steelmakers grouped in the Eurofer "club" to curb sales to the U.S. before a new round of retaliatory measures was forced on the U.S.

Commissioner Davignon also spoke of the progress of his anti-crisis plan for the European steel industry, and announced that in October he will be presenting his 1979 programme for pricing, rationalisation and restructuring, for approval by the Council of Ministers. But although he was repeatedly pressed for a detailed analysis of the present state of the Davignon Plan, following its near collapse in June, he failed to do so.

## Finns win Iraqi order

A Finnish-Iraqi contractor's group has won a FM 670m ($167m) bid to build six agricultural institutes in Iraq making the country Finland's leading contracting export area in the Middle East AP-DJ reports from Helsinki. The two Finnish partners Vise and Lohja have a FM450m ($112m) share in the contract.

## Africa 'phone deals

Thomson-CSF, the French telecommunications and electronics company, has won orders worth more than £4.2m (FFr 36m) for electronic and electro-mechanical exchanges from two African countries, John Lloyd writes.

The largest part of the order is for an electronic switching system for the Zaire domestic telephone network. Thomson will supply its AXE time-division exchange which has been developed by its subsidiary, Thomson-Ericsson.

At the same time Niger has signed a contract for the extension of two exchanges with 2,400 additional lines, and the setting up of three new CP 400 crossbar exchanges.

## Truck sales outlook

International Harvester has said that contrary to earlier industry estimates retail sales of heavy and medium trucks in the U.S. will continue strong during the rest of this year and into early 1979 with total 1978 sales topping last year's sales by about 10 per cent, AP-DJ reports from Chicago.

## HOME NEWS

# Gulliver will control new food company

BY ANDREW TAYLOR

ÆR. JAMES GULLIVER, former ·hief executive of Oriel Foods .nd the Fine Fare supermarket .hain, is joining forces with the nerchant bankers Noble Grossart and Charterhouse Japhet to form a company to invest in the food ector.

Gulliver Associates is to take 51 per cent stake in the new ompany, Gulliver Foods, at a ost of just under £1m. The 49 er cent will be owned jointly y Noble Grossart and the Charterhouse Group.

Mr. Gulliver said yesterday hat the new company would ave initial cash funds of £1m, nd would look for investments n specific areas of food processing and distribution.

He is still precluded from nvesting in a number of food-related areas by an agreement vith RCA, which acquired Oriel Foods for £11m in 1974. This agreement runs out at the end of the year, allowing the new nvestment company, of which Mr. Gulliver will be chairman, more scope.

Joining him on the board of he new company will be his ong-standing close associates Mr. Alistair Grant and Mr. David Webster, who control a 29½ per cent stake in Morgan Edwards, the wholesale and retail grocery concern.

The Morgan Edwards holding is controlled by another recently-formed company, Avonmiles, in which Noble Grossart has a stake. It seems likely that Avonmiles will be injected into Gulliver Foods once Mr. Gulliver's agreement with RCA ends.

The new company's ambitions at present appear to rest more in food-processing and distribution. Mr. Gulliver said that it remained to be seen whether "we will be keen to jump into the High Street and slug it out."

The company was looking at a number of concerns in processing and distribution, and he expected to announce at least one acquisition before the end of the year.

"We are looking to create a medium-sized successful food group within the next three years. If we achieve this, then we may look at the possibility of floating it off to the public," said Mr. Gulliver.

Gulliver Associates holds a 14 per cent stake in Alpine Holdings. Mr. Gulliver said that he would continue as chairman of the company, of which Mr. Grant is managing director and Mr. Webster a director.

# Kirkby co-operative seeks another £500,000

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT will be asked today to make an immediate grant of £500,000 to the Kirkby Manufacturing and Engineering co-operative, Merseyside, and to pledge another £2.4m to be drawn if required during the next three years.

The money is needed to tide the co-operative over its latest cash crisis. But the enterprise has received £4.8m in State grants over the past four years and Ministers have refused to allocate new funds.

Ministers are, however, aware that they may be forced to reconsider that because of pressure within the Labour Party for the co-operative to be saved.

Emergency resolutions are expected to be tabled for the Labour Party conference, in two weeks, calling for finance to be made available.

Mr. Anthony Wedgwood Benn, who as Industry Secretary, helped to found nearly four years ago, and Mr. Eric Heffer, MP for Livrpool, Walton, are involved. Both are on the Labour Party national executive and Mr. Benn is on the conference's arrangements committee, which sifts proposed emergency resolutions.

Mr. Alan Williams, Minister of State for Industry is, therefore, unlikely to give a final decision when he meets a delegation from the co-operative in London today. But the Department of Industry's view is that, political considerations aside, there is no case for injecting further funds.

That is partly because Stelrad, a Metal Box subsidiary, is thought to be prepared to take over the Kirkby factory should the co-operative go into receivership.

The factory's main business is making radiators. Stelrad would develop that, although it would want to make more than half the present labour force of 700 redundant.

The co-operative has refused that solution. Stalemate has been reached because Metal Box has refused to become involved with the co-operative unless it calls in a receiver.

However, Mr. Jack Spriggs, the co-operative's main director, said yesterday that customers had offered to make payments of up to £500,000 in advance of delivery of orders for radiators.

He would not name the companies involved but they are understood to be Sankey and Tricentral, which are among the co-operative's main customers. Government support would, however, still be needed.

# Dunford Elliott top post switch

BY ANDREW TAYLOR

A MANAGEMENT reshuffle has been made at Dunford Elliott, the Sheffield steel group acquired by Lonrho, the international trading and industrial group, 18 months ago.

Mr. Denis Ward has resigned as managing director of the main Dunford Hadfield and Brown Bayley operating subsidiaries. His place is to be taken by Mr. Derek Norton, formerly head of Lonrho's Birmingham steel interests and now chairman of both Hadfield and Brown Bayley.

Lonrho said yesterday that the reshuffle had nothing to do with the secret dossier it had compiled about events surrounding the takeover.

The group has been considering whether to take legal action over a profits forecast by the Dunford board at the time of the bid, which in the event proved substantially too high.

Lonrho said that Mr. Ward, who has been with Dunford for more than 25 years, resigned as managing director by mutual agreement but would remain a director of both Dunford subsidiaries.

The group would not comment on the reasons behind the management switch, but said that it was "in the best interest" of the shareholders.

# Channel Tunnel 'could be ready by 1988'

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

THE Channel Tunnel could be in business by 1988, Sir Peter Parker, British Rail chairman, said yesterday.

Sir Peter, in his first public statement on the recently revived project, also suggested that any ideas for a more sophisticated tunnel complex than the single-track, rail-only version proposed by British Rail would be welcome.

The £600m-£700m scheme favoured by the railways was a practical initiative, but would not block more extensive developments.

It was vital, however, that action be taken quickly.

"Let us sieze the opportunity this time. Let us not lose ourselves in debates for too long, resting exhausted finally in the familiar eiderdowns of national indecision," he said.

Mr. William Rodgers, the Transport Secretary, also made a rare public comment on the tunnel yesterday.

He told an audience of European railway timetable planners in Scotland that the Government would give "urgent and careful consideration" to the plan already partially revealed by British Rail and expected to be approved soon by French Railways.

He added later, however, that a decision on the tunnel was unlikely to be taken by the present Parliament.

Sir Peter has been freed to declare his enthusiasm for the tunnel by the Prime Minister's decision not to call a General Election. Before that announcement, British Rail had been asked to keep its plans quiet.

Sir Peter told guests at an American Chamber of Commerce lunch that the railways' plan could be executed for the price of 20 jumbo jets.

# Procon in line for refinery job

BY KEVIN DONE, ENERGY CORRESPONDENT

PROCON (Great Britain), the process plant company, is expected to receive the main contract to build a £75m refinery expansion at Milford Haven, South Wales.

Amoco and Murphy Oil, both of the U.S., are building a joint catalytic cracking unit at Amoco's refinery there.

The 32,000-barrel-a-day cracker will enable the companies to upgrade heavy oil products such as fuel oil into lighter products, mainly petrol and naphtha.

Demand in Western Europe for lighter products has expanded for some years at the expense of fuel oil.

Procon is the British arm of the U.S. process-plant contractor. The award of the contract is still to be approved by the Amoco main board in the U.S. A decision is expected before the nd of th month.

Procon built the original 108,000-barrel-a-day Amoco refinery completed in 1973 at a cost of £30m.

Work on the cracking unit should begin early next year. Completion is expected in 1981.

# Vehicle removal charge raised

Police and local authorities are to raise charges for removing illegally parked, broken down or abandoned vehicles from roads and motorways by about 10 per cent from October 12, the Department of Transport announced.

"The Government policy is that the costs should be recovered from the owners of the vehicles, so that they shall not fall on public funds," said a statement.

The charge for removal from a motorway will go up from £22 to £24, and for removal from roads in London, from £20 to £22. Removal costs from other roads will rise from £18 to £20, the daily charge for storage will be increased from £1.50 to £2, and the charge for disposal from £5 to £6.

# Blocked pipe threat to Dunlin oil flow

BY MAURICE SAMUELSON

'RODUCTION at Shell-Esso's Dunlin Field may be interrupted y an obstruction in the pipe-ne linking it with Sullom Voe n the Shetlands. The obstruction was discovered three weeks go 60 miles out to sea.

The company said yesterday hat production at Dunlin, which egan last month, might have o be interrupted if repairs took onger than three weeks.

If the problem is not solved y about the middle of next onth it would have to shut own Dunlin's production of 0,000-50,000 barrels a day.

The company had hoped that il from Dunlin would be the rst to be pumped through the ipeline to the Shetlands' terinal by mid-October.

Dunlin is one of six platforms the Brent system installed by hell and Esso.

Production from Dunlin and rent's A, B, and D platforms tals about 200,000 barrels a ay. Shell/Esso's production peak in Brent will be 450,000 barrels, compared with the pipeline's capacity of 1m barrels.

Since Shell-Esso's first Brent wells began production nearly two years ago, oil has been loaded at sea from the separate Spar storage installation. But Spar cannot be used for oil from Dunlin, whose only outlet is by pipe to Sullom Voe.

Sullom Voe will also shortly receive oil through a second 36-inch pipeline, linking it with Heather and Ninian Fields.

Shell-Esso says 1978 has been their busiest year in the North Sea to date. Capital expenditure for the year will be £850m—more than £2.4m a day.

Production started in June on Brent A, and also resumed last week on Brent B, after a second phase of construction.

To comply with Government conservation rules barring the flaring of gas three of the Brent platforms have been equipped to re-inject gas into the oil fields.

# Elizabethan spoons fetch £4,800

## SALEROOM

BY ANTONY THORNCROFT

SET of six Elizabethan parcel-ilt seal-top spoons, each with artly fluted finials, made around 560, sold for £4,800 at Christie's esterday. The pre-sale estimate as £500-£700. Comparable to e Tichborne Celebrities of 1592, e spoons bear a maker's mark f a bird's claw. They were ought by Koopman, the London ealer.

The sale, which realisd £57,058, as devoted entirely to the Biggs ollection of early spoons, rmed in the U.S. by the late nna Rupert Biggs. Mrs. Biggs as the daughter of Charles upert, the author of "Apostle poons."

A French berry-top spoon with -shaped bowl, made in Rouen rca 1408, went to a private erman buyer at £3,800. The oon's maker, P. Honnoure, had een identified from a copper aque preserved in the Musee uny, Paris, on which in 1408 l the marks of goldsmiths orking in Rouen had been amped.

How of Edinburgh, the London ealer, paid £3,600 for a rare rly 16th-century apostle spoon St. Philip holding three aves. It is the only recorded ample of the loaves carried the upright position.

A Henry VIII wrythen-top oon, the maker's mark probly an eagle displayed, also ent to How at £3,200.

The Ring at Park Paddocks, ewmarket, where Tattersalls, e bloodstock auctioneers, holds s sales, was the venue yesterday for the first sale in its story of furniture, art and tiques, conducted by Phillips d by Garrod Turner of swich.

The highlight was a record price of £2,400 for an oil painting by John Boultbee, "A Bay Mare in a Landscape," signed and dated 1802, originally owned by Viscount Weymouth.

The sale also featured some fine furniture, including an early 19th-century mahogany four-pedestal banqueting table, which sold for £2,800 to Bull, and a set of six late Georgian Windsor armchairs, which went for £1,760 to the same buyer.

The sale totalled £61,502. A Chamberlain's Worcester dinner service of Kylin pattern sold for £2,200, and a Wedgwood fairy lustre vase and cover for £1,900.

A 1920s motor-car mascot, a glass racehorse head by René Lalique, sold for £380, an Edwardian rocking horse for £130, and a set of jockey scales of the same period £240.

At Glendining coins totalled £88,647, with a top price of £6,000 by Bord for a Victorian £5 of 1839. Perhaps more surprising was the £1,050 from Spinks for an 1844 Victoria Crown in good condition.

Sotheby's sold modern British pictures for £31,846. A typical reclining nude in chalk by Sir William Russell Flint sold for £1,100, with the same price for "Children Shrimping," by Dorothea Sharp. A Russell Flint landscape watercolour fetched £650.

HOME NEWS

# Collapsing sewers worry North-West

BY RHYS DAVID, NORTHERN CORRESPONDENT

MOTORISTS driving into the centre of Manchester have faced extra diversions for the past few months—all caused by the Great Manchester Sewer Collapse.

Deansgate, one of the main city centre shopping streets, Great Ancoats Street, a main entry from the east, and Oxford Street, which carries traffic from the south, have all been affected by the sudden appearance of holes in the ground.

Manchester is the first victim of this ominously expensive problem. Other towns with sewerage systems installed in the Victorian era are likely to have similar problems as their services begin to wear out.

Manchester's sewerage system, like those in other parts of the North-West, dates back to the start of the industrial revolution. Wet weather in the past two years has put an extra strain on the systems.

The North-West has 18,600 miles of sewers under the streets. Of these, 3,000 are more than a century old and are reckoned to be at the end of their life.

The problem, as ever, is the lack of funds to replace them as fast as they fall into disrepair.

North West Water Authority officials say that an environmental crisis could be close.

Already, one sewer collapse occurs every day somewhere in the region, bringing the danger of flooding or contamination.

Vehicles or individuals also face the risk of disappearing into the holes that emerge without warning after subsoil has been swept away because of ruptures in the sewers.

The authority is spending about £15m a year on repairs and renewal, but a conservative estimate from a 1976 study claims at least £100m a year should be spent for each of the next 20 years to modernise the system.

At present, however, the authority is able to spend only about £15m a year. Increased expenditure would obviously place a very large extra burden on consumers.

The problem has been referred to the Government but requests to the Department of the Environment for special grant assistance have been unsuccessful, so far.

THE GOVERNMENT, faced with the need to hold down public spending clearly faces a dilemma.

Risks of a major accident in the North West are bound to increase as the system gets older.

The problem has surfaced in the Manchester area because it was one of the first parts of the country to lay down urban infrastructures.

Other areas are likely to have similar troubles

# Aviation authority loss down £28m

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE CIVIL Aviation Authority cut its losses by £28m—from £44m to just under £16m after interest charges—in the year to March 31.

Mr. Nigel Foulkes, the chairman, hints in the authority's annual report, issued yesterday, that the pressures which brought steep cuts in North Atlantic fares this summer might affect European fares next year.

Some progress might be made to reduce the high levels of normal economy fares to some European countries where these greatly exceed costs. This was even allowing for such factors as the very high frequencies of flights demanded in Europe.

Mr. Foulkes said that the authority had one of its best years in 1977-78. The loss had been on only two activities—providing navigation and air traffic control services in UK air-space, and running the Scottish Highlands and Islands airfields—where they were obliged to charge well below the cost of the services.

The authority's other activities, including controlling air safety and airworthiness, made "a modest profit."

A Government grant-in-aid of £16.6m enabled it to cover the air traffic control and airports loss, and make a small total profit on all operations of just over £1.1m.

By cutting internal costs and raising fees—especially for licences and landing charges at the Highlands and Islands airfields—the authority had been able to cut the Government's grant-in-aid from £60.5m in 1975-76, to £44.5m in 1976-77, and to £16.6m last year.

One example of the rise in fees was for helicopters landing at Sumburgh, in the Shetlands. In the spring it was planned to increase the rate from £4.50 a ton to £40 a ton, which would raise the landing fee for an S-61 helicopter from £45 to about £450.

Further progress in reducing or eliminating the authority's deficit would depend on circumstances outside its control, such as the Government achieving a more realistic pricing of air navigation and traffic control services in UK airspace.

Much of the improvement in the authority's financial position in recent years had stemmed from rises in direct charges. Mr. Foulkes defended this, pointing out that the authority was "not in business to provide free services, and people must pay for the services they want."

Mr. Foulkes said that the the authority was seeking to make improvements.

These included cheaper air fares. The authority was sceptical of the profitability of recent steep price-cutting on the North Atlantic, even though the general trend "towards a wider choice for the customer is in line with economic policies the authority has steadily tried to encourage."

The pressures on the North Atlantic might lead to similar reductions in Western Europe, perhaps as early as next April 1, although the authority had no plans to promote any.

But "it is possible some cuts might be achieved by the airlines without it dissolving into a bonanza for the consumer and a disaster for the operator."

The authority would also be studying some of the more unpleasant side-effects of the cheaper fares, such as long queues outside Victoria Station, to try to make improvements.

But he said the problem was primarily one for the airlines and the consumers to sort out — the airlines by more careful advertising to make it clear what was being offered, and the passengers by deciding whether they wanted to risk the discomfort ultra-cheap fares might involve.

# Building orders at lowest since February

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE VALUE of building industry orders won by contractors in July fell to the lowest level since February, according to provisional figures published yesterday.

The Department of the Environment calculates that the price value of all work obtained by the industry in July totalled only £728m against £784m in June.

Expressed in constant price terms, total orders taken on in the three-month period to the end of July were down 1 per cent on the previous quarter but still 8 per cent higher than in the same quarter last year.

The department said that new orders in the public housing sector in the May-July quarter were 4 per cent up on the preceeding three months and 1 per cent higher than during the same period a year earlier.

Private housing orders in the latest quarterly period were 8 per cent higher than in the previous three months and 19 per cent up on the same period last year.

In July, the level of new contracts obtained in the private and public housing sectors showed a fall. New orders in the public housing sector have now been falling for four successive months.

Orders in the public works sector showed a 3 per cent drop between May and July when compared with the preceding three months, although they remained 4 per cent higher on a year earlier.

Private industrial building orders were 4 per cent lower than in February to April this year, but 1 per cent on the corresponding period of last year.

Private commercial building contracts were 10 per cent lower during May-July than in the previous quarter, but remained 19 per cent higher than orders taken a year before.

● NEWS ANALYSIS—TELEVISION RENTALS

# Victims of profitability in sensitive market

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT


Terry Kirk

WHEN Mr. Roy Hattersley, Prices Secretary, asked the Price Commission last May to investigate the television rentals industry it was inevitably felt to be for political rather than economic reasons.

After all, Mr. Hattersley, with everyone else, probably assumed an autumn election and what better way to help the cause than to examine prices in such a sensitive mass market as TV rentals? About 11.7m subscribers would watch the outcome with considerable interest.

This view was emphasised by the fact that the commission's latest report—published yesterday—was the second in two years to examine the television rentals industry. The last, published in October 1976, had led to an across the board price freeze in rental charges which expired in July last year, and was followed by an average 10 per cent jump in charges.

Yesterday's report singled out two of the big companies involved—they control a third of the market—and recommended a freeze until the end of their financial years next March. The companies are Thorn Television Rentals—with its subsidiaries Radio Rentals, Domestic Electric Rentals and Multibroadcast—and Visionhire, a subsidiary of the Electronic Rentals Group.

Both Thorn and Visionhire were penalised for achieving a "high degree of profitability" compared with the level reached by the other big rental companies, Granada, Rediffusion, and Rumbelows.

## Overstated

Clearly the rental companies felt that they might be the victims of a political investigation. Both Thorn and Visionhire subsequently told the commission that they felt their initial information given to the commission on profitability, overstated their position. Thorn's return on capital, calculated on a current cost accounting basis to take account of inflation, showed a return of about 14 per cent for this year, with broadly the same level expected for next year.

But Thorn told the commission that the CCA return should be recalculated to take account of television sets' longer life expectancy — eight years instead of six. On this basis, the company's return on capital for 1979 would be 11 or 12 per cent.

Visionhire also told the commission that its original calculation of a 13 per cent return on capital on a CCA basis should be reduced by about 5 per cent to allow for depreciation on fully depreciated sets still in use. But the Price Commission refused to accept this argument.

While Thorn and Visionhire may feel they have been unfairly singled out for treatment by the commission, the report does, on the whole, take a fairly sympathetic view of their position. The last report, in October 1976, criticised the companies for their high level of profitability.

This time, however, the commission's line of approach is that the companies have "come through a time of considerable stress, with enhancement of efficiency, improved utilisation of resources, and increased standardisation of television set requirements."

Where the commission has made criticisms, albeit rather oblique ones, is over the lack of support by the rental companies of the British television manufacturing industry. Basically, rental companies are profitable and the manufacturing companies are not.

In some respects, this criticism reflects the wider terms of reference of the Price Commission under the 1977 Act.

The report takes great pains to point out the close relationship between the rental and manufacturing companies. In the case of the three Thorn subsidiaries, they all rent television sets manufactured by Thorn Consumer Electronics.

About two-thirds of Thorn's output went to these subsidiaries plus the sets rented by the Rumbelows retailing chain, another Thorn subsidiary.

The closest relationship is found in the case of Rediffusion where manufacturing is an integral part of the company's operations and almost all output from the manufacturing plant—about 100,000 sets a year — is transferred at cost to the rental business.

Less close is the relationship between the Electronic Rentals companies, Visionhire and Relay Vision, and Philips Electrical. Although Philips has about a 30 per cent stake in Electronic Rentals, the company says it maintains an "arms length" relationship.

Granada has no direct connection with television set manufacturers. But it does have a long-term contract with GEC for the supply of about half its sets, the rest coming from Finland and other UK sources.

The report points out that the size of the television market has probably been enlarged by rental, and the absorption of technical changes eased. But it suggests that manufacturers might have got as much benefit from a more rapid turnover of sets in a smaller market in the absence of rental.

The rental companies have also influenced set design in the respect of ease of servicing and greater reliability and their orders have provided a basic workload for manufacturers and eased production scheduling.

But manufacturers' prices and margins remains low and, says the report, rental companies provide little direct support for the investment and research activities of the manufacturers.

The impact of the rental companies upon the market, however, may be declining. There are about [illegible].5m television sets in use in the UK at present, of which about 11.7m are rented sets. The share of rented sets in the market has declined since 1970 from 57 to 31 per cent for monochrome and 71 to 66 per cent for colour.

But the effect of the rising proportion of colour television rented by companies—as more renters switch from monochrome to colour—has been to stabilise the overall market share of rental at about 50 per cent since 1973.

The rental companies' concern is over the potential growth in the rental market—only about 1 per cent of homes does not have a television set—and how far it can encourage renters to switch from monochrome to colour.

# £12.2m colliery link scheme

TWO COLLIERIES are to be linked by tunnel in a £12.2m investment scheme, the National Coal Board announced yesterday.

Work is to start this year on connecting Bentinck Colliery and the neighbouring Annesley mine, at Kirkby in Ashfield, Nottinghamshire, which together produce about 2m tonnes of coal a year.

The tunnel will be equipped with high-speed transport for men and coal and will enable all coal to be brought to the surface at Bentinck.

# Anglo-French cable operations start

FINANCIAL TIMES REPORTER

OPERATIONS FOR laying the largest cross-channel telecommunications cable, which will increase the capacity of links between the UK and France by 50 per cent, begin today.

The cable, which will cost £5m, will carry 4,200 messages at once. It runs 60 nautical miles from Eastbourne to Valery-en-Caux.

It will carry phone calls, telex messages, data and other communications to and from France and other Western European countries and is due to start operating early next year.

The cost of the cable is being shared between the Post Office and the French directorate of telecommunications. It was made by Standard Telephones and Cables, the UK subsidiary of ITT.

The Anglo-French cable is part of a five-year £210m programme to upgrade the UK's links with the Continent. Future links will improve communications between the UK and Belgium, the Netherlands, Denmark and Spain.

# Milk price rise urged by Tory spokesman

BY PHILIP RAWSTORNE

MR. JOHN PEYTON, Conservative spokesman on agriculture, yesterday called for an increase in the price of milk.

"It would be in the interests of the industry if any price increases were to take place by instalments and that the first of those should not be long delayed," he said.

Mr. Peyton, speaking at Stoneleigh, Worcs., said that the British dairy industry had to be able to compete on level terms with Continental producers. The price paid to British producers had risen a good deal less than either the price of food generally or the retail price index.

The Government should support the EEC Commission's efforts to adjust and phase out monetary compensatory amounts which were giving "an armchair ride into our markets for food which is more cheaply produced here."

Britain's food imports had increased by £1bn last year. "The question which everyone has to face is how far can it be in anybody's interests to look for cheap imports if the cost is going to be measured in terms of lasting damage to our own industries, loss of jobs and a worsening trade balance."

# Gifts sent by Stern to Crown Agents men, tribunal told

WHILE THE Crown Agents were lending millions of pounds to the Stern Property Company, Mr. Willian Stern was giving Christmas gifts to top men in the Crown Agents finance department, the tribunal investigating losses of over £200m by the agents, heard yesterday.

Mr. Robert Gatehouse QC said that the loans were given to Stern without approval of the Crown Agents credit committee.

He added that Mr. Stern sent gifts to the then finance director, Mr. Alan Challis; to Mr. Bernard Wheatley, the agents' former sterling money market manager, who has since died; to Mr. Norman Hewins, who worked in the finance department; to Mr. A. J. Blundell, and to one other man, who had reported receiving the gift.

Mr. Gatehouse said: "William Stern was a well-known Christmas giver. Because of his personal circumstances, he felt unable to entertain business associates in the normal way. He saved it up and then handed out a considerable amount of largesse at Christmas."

At Christmas 1972 Stern gave Challis a silver tea set worth over £400. "Challis did not return it but he did write to Stern saying 'Please don't do it again. People in public service are in general not supposed to accept gifts from those with whom they had business relationships'."

Mr. Gatehouse said that Stern also sent desk stationery to Mr. Hewins. He, too, asked Mr. Stern not to do it again.

## Borrowing

Mr. Blundell received two gifts—a leather briefcase and a gold pen and pencil. "He made no secret about it and he wrote two thank-you letters," Mr. Gatehouse added.

In his case, there was no suggestion of "don't do it again, it is embarrassing."

Only one man reported receiving a gift to his head of department.

Mr. Gatehouse said it was generally understood in the Civil Service that such gifts should be reported.

At the Crown Agents, someone in a department was supposed to report it to a department head. If the gift was received by a department head, he would report it to the director, and if the director received a gift, he would tell the Crown Agent.

Mr. Gatehouse said that Stern Companies began borrowing millions of pounds from the Crown Agents from June 1972. Loans of millions of dollars and pounds were unsecured and made without authorisation from the credit committee.

Mr. Gatehouse told the tribunal: "You will want to know how Mr. Stern was introduced to the Crown Agents' finance department for the purpose of obtaining loans, who approved unsecured lending, and under what circumstances did the loans increase and to what extent."

Mr. Gatehouse said that when the property bubble burst, it seemed to have been assumed by the finance department that the Crown Agents were expected to support the Stern Group. But there was some doubt whether the Bank of England had ever required them to do this.

By this time the agents were so deeply involved in the Stern Group—because they had lent the Group £22m—that they thought that if they allowed Stern to sink, they would not have been able to meet their obligations.

## Liquidation

"They took the view in early 1974 that they had to support Stern. They poured a further £16m into the companies in order to keep them afloat.

"It proved useless. The Stern companies are now in liquidation."

Mr. Gatehouse said that in one case the Crown Agents lent an unsecured £5.5m to Stern to buy a valuable town centre site in Epsom, Surrey. The money had been lost.

"It may be a mistake rather than a gross dereliction of duty, but it does look, on the face of it, that there was something very careless in allowing a loan to be unsecured in losing £5.5m."

Mr. Gatehouse said that the Crown Agents used "comfort" letters to conceal their involvement in property development at a time when it was becoming unfashionable and criticism had been made in the Press and Parliament about their activities.

The letters were used to elicit loans from the money market for English and Continental Property Company. They were intended to convey assurance that the Crown Agents would see that loans were repaid.

The letters were regarded as binding morally, but not legally.

Mr. Gatehouse said 171 letters were sent and their total value was £87m. Their existence, he added, was concealed from the auditors, from Crown Agents chairman, Sir Claud Hayes, and from Price Waterhouse when they prepared a report on English and Continental for the Stevenson Committee.

# Midland Bank sets up new bureau de change

BY MICHAEL BLANDEN

THE MIDLAND BANK group has extended its bureaux de change operations by setting up a bureau of the Thomas Cook travel group in its Leicester Square, London, branch.

Cook, a Midland group subsidiary, is developing an extensive network of bureaux de change. It already operates in major department stores in central London, Guildford, Croydon, Kingston-upon-Thames, Stratford and Hull, and has bureaux at Victoria station and most important North Sea and Channel ports.

The new office is the first to be set up as a self-contained unit in one of the bank branches. The bureau will open from 9.30 am to 10 pm six days a week, and from 11 am to 7 pm on Sundays.

# Computer strategy is 'major mistake'

BY MAX WILKINSON

THE FAILURE of UK companies to develop competitive general-purpose mini-computers has been a major strategic mistake with serious long-term consequences, says an independent report from Sussex University.

The report, from the Science Policy Research Unit, says UK firms have been urged to withdraw from mini-computer machines (hardware) to concentrate on programming (software).

This suggestion, it says, stemmed from the view that hardware would become cheaper while major progress in mini-computing would depend on the development of software.

"*The argument for withdrawal* from hardware rests on the unproven assumption that the hardware element is in fact becoming very insignificant in the *overall* competitiveness in computing," the report says.

But it says enormous benefits have been reaped by companies which have concentrated on economies in hardware production: at the same time, software development is rarely independent of advances in machine technology.

"Thus the withdrawal from hardware manufacture may prove disastrous to long-term competitiveness in the computing industry for the UK."

The report argues that the U.S. and Japanese companies which dominate the mini-computer market will be able to offer packages based on the integration of software and hardware.

"UK firms removed from developments in hardware will, as in the case of components, be reduced to reacting through software developments to new technology available through hardware."

The report says the world market for mini-computers is expected to reach about $5bn by 1980 with 60 per cent of sales in the U.S. It says: "The industry leaders world-wide are all U.S. multinational companies. With the exception of Japan, these firms and their subsidiaries occupy the leading position in all the national markets."

It says the leaders in the UK market are Digital Equipment Corporation, Data General, Honeywell and Univac (International Business Machines and Hewlett Packard were not included in the study).

The British-owned companies in the field apart from International Computers Limited, are Computer Technology Limited, *The General Electric Company* and Ferranti.

"In terms of value of mini-computer shipments in the UK, as opposed to total system shipments, the indigenous UK firms account for no more than about *one-fifth of the market.*"

The report is critical of the way UK companies have adopted short-term planning goals, in contrast with their U.S. competitors.

However, one reason for the UK weakness was that Ferranti and GEC were excluded for three years from competing in the business market for mini-computers, under the terms of the formation of ICL. They have *therefore concentrated on private* and military markets.

The report says: "Rather than develop strategies to capture commercial markets, planning, pricing and marketing policies have evolved around State market requirements. The need for short-term survival, and the slowness of management in the past to analyse and prepare for a market, act to prevent any effective shift from these areas and inhibit the change of strategy to one more appropriate to the fastest growing market segment.

"In the absence of clear goals and strategies, UK companies' planning has been less effective than that of their U.S. competitors."

*Competition, technical change and manpower planning in electronic capital equipment: a study of the UK mini-computer industry. Science Policy Research Unit, Sussex University, Falmer, Brighton: price £5 or £3 to academics.*

**MINICOMPUTER MARKET SHARE WESTERN EUROPE 1975**

| | Installed Value % | Shipped Value % |
|---|---|---|
| **U.S. Suppliers:** | | |
| DEC | 19.2 | 22.0 |
| Howlett-Packard | 6.4 | 5.8 |
| IBM | 5.6 | 4.0 |
| Honeywell | 5.1 | 4.8 |
| Data General | 2.5 | 4.6 |
| Others | 12.4 | 14.4 |
| **Total U.S.** | 51.2 | 55.6 |
| **European Suppliers:** | | |
| SEMS | 18.5 | 10.8 |
| Ferranti | 9.5 | 7.8 |
| AEG-Telefunken | 7.7 | 5.0 |
| Siemens | 6.4 | 5.4 |
| Datasaab | 2.6 | 3.0 |
| Others | 12.1 | 12.4 |
| **Total European** | 48.8 | 44.4 |

*Source: Science Policy Research Unit*

# No cause for panic over aerosol sprays, say manufacturers

BY SUE CAMERON

FEARS IN Sweden and the U.S. *that the chlorofluorocarbons used* in aerosol sprays may be destroying the ozone layer in the earth's atmosphere have no firm factual foundations, according to a report published yesterday by the British Aerosol Manufacturers' *Association.*

The U.S. is to ban the use of chlorofluorocarbons as propellents in aerosol sprays this autumn and Sweden is also planning to limit their use. Members of the association claim that both countries are allowing themselves to be panicked into action and that the risks involved in continuing to use chlorofluorocarbons while waiting for the results of further research are negligible.

The report, written at the request of the Department of the Environment, stresses that at present there is no evidence for suggesting that the UK should ban the use of chlorofluorocarbons as aerosol spray propellents. This echoes recommendations made by the Government's central unit on environmental pollution and by a Royal Society report.

*The Americans and the Swedes* are afraid that the use of chlorofluorocarbons will reduce the amount of ozone in the stratosphere and that this in turn will increase ultra-violet radiation on the earth's surface. One of the possible dangers of high ultra-violet *radiation levels is that* they may encourage the development of skin cancer.

But the association's report points out that there have always been substantial natural variations in the thickness of the *ozone layer, and there is some* evidence that the amount of ozone in the atmosphere could be increasing. It says that the relationship between skin cancer and ultra-violet radiation has not yet been "defined" and that some of the evidence for believing that ultra-violet radiation causes cancer is "highly questionable."

"Although the U.S. and Sweden are taking action to restrict chlorofluorocarbons, the theory suggesting that their use would cause a decrease in ozone—and indeed had already done so—is far from proven," the association said yesterday.

"On the contrary, it appears that ozone layers in general are increasing slowly. This trend can be seen in the data collected regularly since 1925 which shows a steady rise over the years of about 6 per cent. There is *no reason to believe this trend will not continue.*

"The aerosol industry would need considerable time to develop products without chlorofluorocarbons which would be equally satisfactory to the consumer."

# Professor urges rethink on royal commissions

BY MICHAEL BLANDEN

ROYAL COMMISSIONS' procedures need to be examined afresh, Professor Alan Prest, of the London School of Economics, argues in the latest issue of Three Banks Review, journal of the National and Commercial Banking Group.

Commissions may be outmoded as a method of inquiry, he suggests, although he does not recommend that the system be "consigned to the dustbin without further thought." What is *needed, he says, is some sort of* cost-benefit analysis of such methods of inquiry.

Professor Prest draws on his experience as a member of the Royal Commission on Civil *Liability and Compensation for* Personal Injury, chaired by Lord Pearson, which reported last March.

He describes his "five years' hard labour" and outlines the work, findings and recommendations of the commission. He recounts difficulties the commission faced, noting how he, an academic economist, met obstacles in dealing with people unfamiliar with his discipline.

Professor Prest goes on to argue that such bodies should be confined to questions "which both justify and admit of sustained inquiry, as distinct from those which are a nuisance at a particular time" and can be fended off with promises of an inquiry.

Terms of reference, he says, should be carefully thought out and well drafted, unlike those *of the Pearson Commission, and* there might be some benefit from imposing a time limit such as two to three years.

# Power productivity record 'enviable'

FINANCIAL TIMES REPORTER

THE ELECTRICITY supply industry has an enviable productivity record, Sir Francis Tombs, chairman of the Electricity Council, said yesterday.

Speaking in Exeter, he answered critics of the industry's £130m profit last year by observing that in the 30 years since nationalisation, the industry had always made profits except for four years when the Government had restricted price increases.

In 1977-78 the industry's turnover was £4.8bn, and its net assets more than £6.5bn. Capital requirements during the year had been £800m.

"This all adds up to a net return of 9 per cent on average net assets employed, which the shareholders of any large commercial undertaking would consider to be reasonable."

Sir Francis said that electricity customers, who were in a sense the industry's shareholders, ought to be proud of its achievements in the present economic *climate.*

"Our productivity record is enviable," he said. "We know employ 27,000 fewer people than we did 20 *years ago, and at the* same time have increased our sales of electricity by 170 per cent. Our manpower productivity has increased to the extent that we need only 0.8 of a man for every million kilowatts of electricity produced, compared with 2.54 men 20 years ago."

Sir Francis commented that the greatest contribution that the industry could make to energy conservation would be to increase *the reliability of its large modern* generating sets and introduce advanced nuclear stations quickly.

*Notice of Redemption*

## Transocean Gulf Oil Company

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of October 15, 1970, under which the above-designated Debentures are issued, $1,500,000 aggregate principal amount of such Debentures *of the following distinctive numbers has been selected* for redemption on October 15, 1978 (herein sometimes referred to as the redemption date):

**$1,000 Coupon Debentures Bearing the Prefix Letter M**

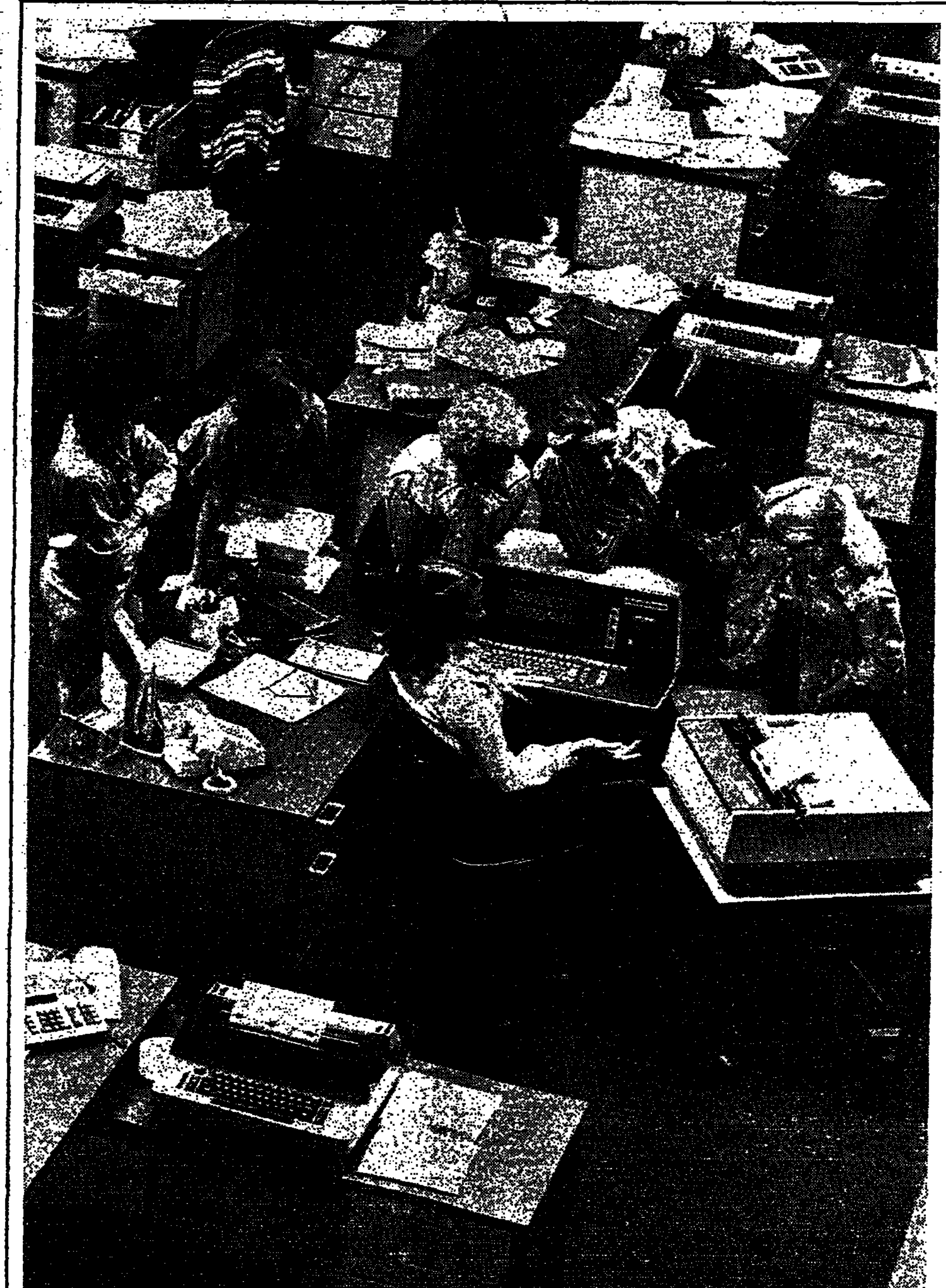
| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4 | 1271 | 2361 | 3296 | 4427 | 5026 | 6827 | 8019 | 9142 | 11657 | 12693 | 13787 | 14756 | 15689 | 16834 | 17956 | 19083 |
| 22 | 1277 | 2371 | 3300 | 4455 | 5732 | 6829 | 8023 | 9153 | 11660 | 12698 | 13791 | 14760 | 15709 | 16836 | 17969 | 19096 |
| 28 | 1287 | 2374 | 3321 | 4437 | 5743 | 6830 | 8034 | 9158 | 11686 | 12705 | 13792 | 14777 | 15720 | 16846 | 17975 | 19134 |
| 36 | 1289 | 2377 | 3341 | 4463 | 5774 | 6897 | 8036 | 9160 | 11690 | 12708 | 13822 | 14799 | 15728 | 16865 | 17989 | 19135 |
| 41 | 1319 | 2379 | 3363 | 4475 | 5777 | 6901 | 8057 | 9184 | 11693 | 12720 | 13891 | 14810 | 15753 | 16866 | 17999 | 19157 |
| 52 | 1323 | 2389 | 3396 | 4478 | 5784 | 6905 | 8064 | 9188 | 11705 | 12732 | 13895 | 14825 | 15757 | 16924 | 18021 | 19163 |
| 72 | 1333 | 2391 | 3398 | 4494 | 5788 | 6920 | 8074 | 9193 | 11716 | 12735 | 13918 | 14839 | 15762 | 16927 | 18030 | 19164 |
| 76 | 1345 | 2392 | 3421 | 4509 | 5873 | 6931 | 8100 | 9199 | 11717 | 12742 | 13929 | 14840 | 15773 | 16941 | 18032 | 19174 |
| 83 | 1348 | 2399 | 3424 | 4511 | 5938 | 6933 | 8101 | 9224 | 11725 | 12748 | 13930 | 14853 | 15794 | 17106 | 18043 | 19181 |
| 136 | 1359 | 2403 | 3430 | 4519 | 5944 | 6937 | 8136 | 9229 | 11727 | 12759 | 13931 | 14861 | 15801 | 17159 | 18044 | 19184 |
| 140 | 1371 | 2417 | 3438 | 4536 | 5958 | 6954 | 8190 | 9449 | 11728 | 12840 | 13936 | 14863 | 15826 | 17166 | 18055 | 19192 |
| 172 | 1379 | 2453 | 3445 | 4540 | 5967 | 6955 | 8225 | 9462 | 11745 | 12863 | 13942 | 14871 | 15833 | 17190 | 18056 | 19193 |
| 186 | 1428 | 2460 | 3463 | 4546 | 5968 | 6956 | 8242 | 9469 | 11761 | 12869 | 13957 | 14872 | 15873 | 17192 | 18059 | 19247 |
| 208 | 1429 | 2472 | 3469 | 4570 | 5977 | 7025 | 8305 | 9480 | 11765 | 12870 | 13965 | 14873 | 15874 | 17195 | 18065 | 19278 |
| 235 | 1431 | 2478 | 3481 | 4593 | 6007 | 7026 | 8306 | 9489 | 11798 | 12873 | 13973 | 14913 | 15877 | 17197 | 18076 | 19287 |
| 244 | 1475 | 2488 | 3504 | 4597 | 6017 | 7037 | 8309 | 9578 | 11810 | 12878 | 13974 | 14924 | 15878 | 17212 | 18087 | 19291 |
| 245 | 1492 | 2506 | 3528 | 4608 | 6037 | 7043 | 8314 | 9590 | 11818 | 12889 | 13993 | 14925 | 15880 | 17213 | 18174 | 19297 |
| 246 | 1503 | 2510 | 3552 | 4612 | 6039 | 7052 | 8315 | 9607 | 11831 | 12894 | 14000 | 14932 | 15894 | 17236 | 18184 | 19298 |
| 255 | 1512 | 2521 | 3601 | 4619 | 6041 | 7062 | 8317 | 9627 | 11852 | 12895 | 14013 | 14934 | 15910 | 17238 | 18190 | 19299 |
| 264 | 1514 | 2535 | 3611 | 4643 | 6055 | 7065 | 8333 | 9671 | 11853 | 12896 | 14027 | 14936 | 15912 | 17244 | 18192 | 19319 |
| 266 | 1529 | 2548 | 3623 | 4655 | 6057 | 7089 | 8340 | 9679 | 11854 | 12898 | 14028 | 14941 | 15928 | 17251 | 18234 | 19341 |
| 275 | 1549 | 2560 | 3652 | 4672 | 6075 | 7094 | 8350 | 9682 | 11855 | 12906 | 14038 | 14951 | 15942 | 17256 | 18251 | 19351 |
| 281 | 1561 | 2568 | 3676 | 4677 | 6096 | 7105 | 8363 | 9707 | 11856 | 12918 | 14045 | 14952 | 15949 | 17272 | 18298 | 19352 |
| 293 | 1589 | 2584 | 3687 | 4681 | 6101 | 7109 | 8366 | 9708 | 11864 | 12927 | 14047 | 14953 | 15956 | 17317 | 18301 | 19354 |
| 299 | 1591 | 2596 | 3692 | 4691 | 6115 | 7113 | 8367 | 9712 | 11886 | 12936 | 14054 | 14954 | 15973 | 17320 | 18302 | 19367 |
| 300 | 1622 | 2627 | 3694 | 4694 | 6116 | 7138 | 8368 | 9757 | 11890 | 12937 | 14060 | 14958 | 16001 | 17323 | 18309 | 19375 |
| 324 | 1634 | 2648 | 3702 | 4706 | 6130 | 7164 | 8393 | 9880 | 11908 | 12944 | 14065 | 14966 | 16002 | 17338 | 18313 | 19385 |
| 327 | 1646 | 2663 | 3732 | 4744 | 6144 | 7191 | 8398 | 9968 | 11921 | 12958 | 14075 | 14976 | 16005 | 17351 | 18316 | 19392 |
| 340 | 1679 | 2680 | 3738 | 4757 | 6149 | 7195 | 8414 | 9989 | 11923 | 12962 | 14076 | 14983 | 16031 | 17352 | 18324 | 19411 |
| 342 | 1681 | 2698 | 3743 | 4759 | 6199 | 7204 | 8425 | 9991 | 11933 | 12977 | 14077 | 15026 | 16064 | 17354 | 18329 | 19433 |
| 370 | 1685 | 2700 | 3760 | 4791 | 6219 | 7208 | 8438 | 9997 | 11938 | 12979 | 14078 | 15041 | 16079 | 17362 | 18331 | 19434 |
| 383 | 1691 | 2715 | 3773 | 4794 | 6230 | 7210 | 8442 | 10115 | 11947 | 12983 | 14084 | 15064 | 16089 | 17364 | 18369 | 19452 |
| 398 | 1706 | 2753 | 3779 | 4808 | 6250 | 7217 | 8458 | 10123 | 11950 | 12993 | 14095 | 15088 | 16095 | 17414 | 18386 | 19477 |
| 401 | 1707 | 2757 | 3782 | 4818 | 6259 | 7218 | 8482 | 10127 | 11992 | 13002 | 14115 | 15089 | 16097 | 17425 | 18425 | 19492 |
| 404 | 1709 | 2773 | 3792 | 4820 | 6262 | 7220 | 8501 | 10128 | 11993 | 13006 | 14139 | 15109 | 16102 | 17439 | 18426 | 19494 |
| 417 | 1712 | 2810 | 3805 | 4825 | 6268 | 7238 | 8510 | 10143 | 12022 | 13018 | 14145 | 15114 | 16104 | 17462 | 18431 | 19496 |
| 418 | 1716 | 2819 | 3809 | 4826 | 6272 | 7246 | 8512 | 10161 | 12023 | 13027 | 14150 | 15130 | 16171 | 17463 | 18451 | 19516 |
| 424 | 1732 | 2825 | 3813 | 4828 | 6273 | 7261 | 8531 | 10163 | 12037 | 13043 | 14158 | 15133 | 16176 | 17464 | 18487 | 19517 |
| 428 | 1756 | 2843 | 3814 | 4833 | 6305 | 7262 | 8533 | 10164 | 12040 | 13050 | 14174 | 15137 | 16178 | 17478 | 18488 | 19551 |
| 440 | 1764 | 2864 | 3815 | 4855 | 6308 | 7278 | 8540 | 10166 | 12054 | 13074 | 14175 | 15165 | 16219 | 17498 | 18492 | 19564 |
| 468 | 1776 | 2880 | 3821 | 4883 | 6319 | 7292 | 8550 | 10168 | 12062 | 13081 | 14176 | 15188 | 16222 | 17508 | 18498 | 19610 |
| 486 | 1783 | 2892 | 3858 | 4890 | 6325 | 7316 | 8560 | 10191 | 12094 | 13086 | 14191 | 15209 | 16231 | 17601 | 18503 | 19613 |
| 487 | 1792 | 2893 | 3867 | 4898 | 6326 | 7319 | 8569 | 10200 | 12107 | 13091 | 14204 | 15219 | 16243 | 17623 | 18523 | 19638 |
| 496 | 1797 | 2896 | 3868 | 4978 | 6327 | 7327 | 8581 | 10202 | 12126 | 13107 | 14218 | 15232 | 16261 | 17638 | 18547 | 19647 |
| 511 | 1798 | 2898 | 3872 | 4991 | 6334 | 7345 | 8591 | 10203 | 12133 | 13131 | 14220 | 15240 | 16267 | 17646 | 18576 | 19662 |
| 542 | 1806 | 2906 | 3885 | 5012 | 6354 | 7346 | 8610 | 10263 | 12154 | 13147 | 14221 | 15241 | 16268 | 17657 | 18577 | 19683 |
| 574 | 1828 | 2908 | 3907 | 5033 | 6370 | 7348 | 8616 | 10288 | 12159 | 13168 | 14223 | 15244 | 16291 | 17667 | 18579 | 19695 |
| 587 | 1830 | 2920 | 3923 | 5039 | 6374 | 7351 | 8632 | 10297 | 12160 | 13189 | 14237 | 15248 | 16308 | 17673 | 18581 | 19696 |
| 670 | 1838 | 2934 | 3934 | 5061 | 6390 | 7481 | 8652 | 10322 | 12162 | 13257 | 14238 | 15266 | 16313 | 17679 | 18591 | 19699 |
| 683 | 1839 | 2941 | 3955 | 5084 | 6403 | 7484 | 8662 | 10324 | 12186 | 13258 | 14277 | 15270 | 16334 | 17680 | 18624 | 19713 |
| 699 | 1840 | 2952 | 3965 | 5088 | 6414 | 7491 | 8669 | 10325 | 12195 | 13259 | 14293 | 15315 | 16343 | 17681 | 18642 | 19716 |
| 748 | 1841 | 2973 | 3968 | 5091 | 6422 | 7499 | 8670 | 10326 | 12243 | 13264 | 14315 | 15317 | 16348 | 17691 | 18666 | 19719 |
| 762 | 1844 | 2976 | 3998 | 5127 | 6423 | 7513 | 8673 | 10341 | 12261 | 13282 | 14323 | 15357 | 16362 | 17696 | 18671 | 19745 |
| 770 | 1855 | 2982 | 4008 | 5145 | 6438 | 7535 | 8675 | 10349 | 12267 | 13302 | 14327 | 15365 | 16382 | 17697 | 18678 | 19766 |
| 773 | 1867 | 2983 | 4036 | 5146 | 6450 | 7549 | 8681 | 10421 | 12270 | 13365 | 14332 | 15366 | 16386 | 17702 | 18698 | 19767 |
| 777 | 1869 | 2998 | 4038 | 5153 | 6463 | 7553 | 8691 | 10428 | 12271 | 13380 | 14348 | 15383 | 16389 | 17707 | 18700 | 19783 |
| 782 | 1881 | 3005 | 4055 | 5167 | 6471 | 7568 | 8703 | 10432 | 12290 | 13392 | 14353 | 15391 | 16410 | 17709 | 18731 | 19784 |
| 805 | 1896 | 3023 | 4066 | 5169 | 6509 | 7584 | 8704 | 10450 | 12292 | 13407 | 14380 | 15405 | 16437 | 17716 | 18737 | 19826 |
| 812 | 1910 | 3033 | 4102 | 5179 | 6510 | 7586 | 8705 | 10459 | 12321 | 13421 | 14382 | 15406 | 16473 | 17727 | 18745 | 19835 |
| 821 | 1914 | 3051 | 4104 | 5184 | 6517 | 7587 | 8719 | 10460 | 12346 | 13424 | 14385 | 15408 | 16476 | 17733 | 18760 | 19854 |
| 859 | 1928 | 3068 | 4113 | 5200 | 6532 | 7590 | 8727 | 10463 | 12352 | 13438 | 14420 | 15430 | 16480 | 17742 | 18766 | 19858 |
| 880 | 1966 | 3100 | 4114 | 5219 | 6533 | 7612 | 8728 | 10468 | 12359 | 13452 | 14429 | 15434 | 16489 | 17746 | 18767 | 19863 |
| 889 | 1975 | 3103 | 4118 | 5254 | 6534 | 7614 | 8766 | 10474 | 12364 | 13454 | 14438 | 15442 | 16500 | 17762 | 18768 | 19865 |
| 897 | 1992 | 3117 | 4123 | 5256 | 6536 | 7644 | 8780 | 10491 | 12365 | 13455 | 14441 | 15450 | 16510 | 17769 | 18769 | 19879 |
| 919 | 2008 | 3118 | 4137 | 5258 | 6537 | 7659 | 8795 | 10499 | 12402 | 13493 | 14447 | 15463 | 16513 | 17771 | 18785 | 19884 |
| 923 | 2019 | 3129 | 4178 | 5262 | 6538 | 7667 | 8821 | 10507 | 12420 | 13494 | 14461 | 15491 | 16516 | 17776 | 18805 | 19890 |
| 935 | 2034 | 3131 | 4181 | 5270 | 6549 | 7677 | 8836 | 10602 | 12439 | 13497 | 14469 | 15492 | 16526 | 17779 | 18812 | 19891 |
| 998 | 2039 | 3147 | 4203 | 5299 | 6553 | 7709 | 8839 | 10643 | 12452 | 13524 | 14474 | 15498 | 16532 | 17791 | 18813 | 19899 |
| 1016 | 2040 | 3150 | 4204 | 5315 | 6558 | 7728 | 8840 | 10650 | 12460 | 13532 | 14483 | 15505 | 16533 | 17796 | 18826 | 19913 |
| 1017 | 2050 | 3156 | 4244 | 5317 | 6573 | 7736 | 8855 | 10652 | 12486 | 13545 | 14489 | 15508 | 16537 | 17804 | 18833 | 19915 |
| 1022 | 2056 | 3160 | 4247 | 5340 | 6603 | 7768 | 8857 | 10687 | 12488 | 13563 | 14504 | 15530 | 16543 | 17817 | 18860 | 19969 |
| 1046 | 2078 | 3165 | 4268 | 5352 | 6607 | 7769 | 8873 | 10701 | 12493 | 13593 | 14511 | 15531 | 16550 | 17830 | 18861 | 19970 |
| 1054 | 2088 | 3170 | 4271 | 5370 | 6612 | 7772 | 8875 | 10730 | 12500 | 13599 | 14514 | 15559 | 16552 | 17854 | 18873 | 19988 |
| 1112 | 2094 | 3171 | 4272 | 5407 | 6614 | 7775 | 8876 | 10731 | 12502 | 13601 | 14543 | 15568 | 16567 | 17860 | 18890 | 19994 |
| 1129 | 2111 | 3185 | 4293 | 5414 | 6663 | 7782 | 8893 | 10745 | 12540 | 13606 | 14547 | 15573 | 16569 | 17861 | 18894 | 19998 |
| 1131 | 2131 | 3186 | 4305 | 5439 | 6667 | 7805 | 8928 | 10757 | 12542 | 13617 | 14561 | 15588 | 16578 | 17869 | 18897 | 20000 |
| 1134 | 2132 | 3187 | 4308 | 5456 | 6674 | 7810 | 8937 | 10777 | 12543 | 13618 | 14577 | 15591 | 16612 | 17872 | 18906 | |
| 1138 | 2135 | 3199 | 4311 | 5463 | 6713 | 7846 | 8949 | 10782 | 12584 | 13636 | 14598 | 15605 | 16622 | 17883 | 18986 | |
| 1142 | 2173 | 3237 | 4318 | 5494 | 6714 | 7865 | 8964 | 10802 | 12586 | 13640 | 14605 | 15623 | 16633 | 17890 | 18987 | |
| 1175 | 2216 | 3244 | 4324 | 5500 | 6725 | 7883 | 9047 | 10819 | 12599 | 13641 | 14608 | 15627 | 16639 | 17895 | 18990 | |
| 1181 | 2223 | 3246 | 4332 | 5519 | 6726 | 7914 | 9052 | 10830 | 12601 | 13659 | 14646 | 15634 | 16648 | 17902 | 18999 | |
| 1195 | 2231 | 3247 | 4347 | 5533 | 6727 | 7934 | 9066 | 10852 | 12614 | 13673 | 14655 | 15641 | 16697 | 17910 | 19025 | |
| 1204 | 2255 | 3259 | 4364 | 5540 | 6731 | 7942 | 9075 | 11603 | 12615 | 13686 | 14659 | 15644 | 16719 | 17923 | 19038 | |
| 1225 | 2268 | 3260 | 4370 | 5542 | 6739 | 7957 | 9076 | 11604 | 12617 | 13691 | 14664 | 15655 | 16733 | 17928 | 19039 | |
| 1226 | 2286 | 3265 | 4392 | 5550 | 6759 | 7970 | 9105 | 11605 | 12618 | 13694 | 14695 | 15661 | 16759 | 17933 | 19043 | |
| 1231 | 2306 | 3266 | 4396 | 5568 | 6779 | 7971 | 9106 | 11622 | 12622 | 13709 | 14711 | 15668 | 16760 | 17935 | 19044 | |
| 1238 | 2319 | 3267 | 4401 | 5574 | 6780 | 7978 | 9113 | 11650 | 12630 | 13747 | 14720 | 15669 | 16774 | 17938 | 19045 | |
| 1239 | 2337 | 3271 | 4406 | 5582 | 6782 | 7986 | 9125 | 11651 | 12655 | 13764 | 14741 | 15690 | 16823 | 17948 | 19049 | |
| 1258 | 2341 | 3279 | 4408 | 5593 | 6794 | 8016 | 9138 | 11654 | 12692 | 13774 | 14747 | 15691 | 16832 | 17952 | 19065 | |

The Debentures specified above are to be redeemed for the Sinking Fund (a) at the WCG-Corporate Bond Services Department of Citibank, N.A. (formerly First National City Bank), Trustee under the Indenture referred to above, No. 111 Wall Street, in the Borough of Manhattan, the City of New York, or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Frankfurt/Main, London (Citibank House), Milan, Paris, Zurich and Citibank (*Belgium*) S.A., and *Kredietbank S.A. Luxembourgeoise* in Luxembourg. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City, on October 15, 1978, the date on which they shall become due and payable, at the redemption price of 100 percent of the principal amount thereof, together with accrued interest to the date fixed for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue, and, upon presentation and surrender of such Debentures with all coupons appertaining thereto maturing after the date fixed for redemption, payment will be made at the said redemption price out of funds to be deposited with the Trustee.

Coupons due October 15, 1978 should be detached and presented for payment in the usual manner.

**Gulf Oil Corporation**
By: CITIBANK, N.A., as Trustee

September 14, 1978.



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Commonwealth of The Bahamas
Ministry of Tourism

**TOURISM DEVELOPMENT PROGRAMME & RELATED PRE-FEASIBILITY STUDIES**

The Bahamas Ministry of Tourism invites "EXPRESSIONS OF INTEREST" from companies able to carry out the necessary studies to prepare a Ten-year Tourism Development Programme for The Bahamas, together with associated investment pre-feasibility studies.

It is proposed to finance the work with the assistance of the Inter-American Development Bank and companies replying to this notice should be on the consultants register of the Inter-American Development Bank (IDB). It is unlikely that any company will have the full range of skills available to cope with the tourism, hotel, public utility, economic, financial, engineering and legal aspects of the work.

We expect that a consortium of firms will prepare the studies and the likely composition of consortia should be indicated.

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**U.K. BASED COMPANY**
having spare capacity on non-food liquid filling semi and automatic production lines, seeks contacts in contract packaging to assist with the filling of this capacity. The equipment is capable of 5 million units per annum on bottles and cans up to 1 litre capacity.
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Principals only reply to the company's auditors.
Write Box G.2624, Financial Times, 10, Cannon Street, EC4P 4BY.

**INDUSTRIAL ELECTRONICS**
The electronics and instrument division of a substantial engineering group seeks to further expand its activities by acquiring a company with a first-class range of electronic products used by industry or commerce. Funds in excess of £5 million are available. Write in complete confidence to the managing director. Write Box G.2576, Financial Times, 10, Cannon Street, EC4P 4BY.

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Successful Businessman interested in acquiring controlling shareholding in small public company, with growth potential. All replies treated in strictest confidence.
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Write in the first instance giving preliminary details. All correspondence will be treated in the strictest confidence.
Write: Box G.2527, Financial Times, 10, Cannon Street, EC4P 4BY.

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**NEW BUSINESS CONTACTS TO THE CONTINENT**
Swiss will be staying in London on Wednesday, 27th September 1978. Please make propositions for a meeting to:
Miss Susanne Zuber,
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Current rescue operation drawing to a satisfactory conclusion now seeks new challenge — turn round or expansion and market development preferred.
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operating in the Greater London area from rented premises turnover £400,000 now moving into profits, tax losses already taken. Principals only.
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London based with many years successful trading: profitable and efficiently managed will be interested in hearing from possible purchasers. Replies direct from Principals particularly appreciated.
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**ESTABLISHED PHARMACEUTICAL MANUFACTURING COMPANY**
Required by private concern. Consideration given to manufacturing companies in allied fields. Details please in confidence to:
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**COMPANY REQUIRED DORSET AREA**
Private Businessman wishes to contact proprietors either planning for retirement, or experiencing shortage of funds. Firms engaged in Manufacturing, Distribution or Leisure industries are preferred. Replies kept in strict confidence. Write Box G.2606, Financial Times, 10, Cannon Street, EC4P 4BY.

**BUSINESSMAN (51 yrs.)**
having founded business which is self sustaining seeks other interests. Qualified in organic chemistry and experience in other technologies. Business experience in Germany, Switzerland and U.S.A. Part time or occasional commissions considered.
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**INVESTMENT IN PUBLISHING.** Three-year-old hard cover book publisher requires finance for expansion. Write Box G.2609, Financial Times, 10, Cannon Street, EC4P 4BY

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**EXPERIENCED EXECUTIVE DIRECTOR:** Chairman available, aged 60. True professional. Will accept one or two assignments. Moderate fees. Write Box G.2622, Financial Times, 10, Cannon Street, EC4P 4BY.

**S H ICE.** cooling plants or machines, E.G. compressors, condensers, evaporators, ed, cond. O.S. Buyer 01-985 5963.

**BUILDERS AND** Manufacturing Joiners in Edinburgh for sale. A private family company with large central premises. Six figure capital required, owners retiring. Write Box G.2605, Financial Times, 10, Cannon Street, EC4P 4BY.

**SQUASH NIGHT CLUB.** Oxfordshire for sale. Diverco, 4 Bank St., Worcester. Tel: 0905 22303.

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# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSING

## Furnace saves bullion

OLLTRECK, the Droitwich-based thermal and metallurgical process engineers, has completed design and supply contract for new form of cupellation furnace r Handy and Harman of Attleboro, Massachusetts, U.S.

It is a small tilting furnace tended to provide accelerated fining with a capacity of up 200 kgs of bullion per charge. Improved, high performance is been achieved through a nique internal layout and very gh heat liberation per unit lume.

The refiner is supplied with ree natural gas burners and e combustion system is esigned to Factory Mutual andards. A removeable hearth an integral part of the design. his results in a reduced lock-up precious metals in the refractory linings which can be easily cast and re-set.

The refiner, which is skid-ounted, has been supplied with combustion control system and idation lances. A refractory amper allows fine control of rnace depression to ensure gh thermal efficiency and to inimise precious metal carry-ver in exhaust gases. Ventilation ods are attached above the swing-away" cast iron charg-g door and tapping spout. Tolltreck Group, Priory House, riar Street, Droitwich, Worcs., R9 8ED. 09057 5661.

## Spray coats have many functions

N THE modern gas turbine, tensive use is made of sprayed etal or ceramic coatings to rotect vital components operat-ig under extreme conditions. his gives an indication of the status accorded to metal spraying technology today and is a tribute to the high quality and reliability of its products.

The traditional oxy-acetylene flame pistol continues in full use. But new types of pistol have been developed that employ the plasma arc, the electric arc or the detonation gun, which operate at higher temperatures and particle velocities. The coatings are denser and in some cases more adherent so that they are able to withstand more severe environments. The range of coating materials has also been greatly extended and includes pseudo-alloys and powder mixtures tailored to particular requirements.

Full mechanisation of the process has come about and is adopted for coating components in mass production such as automobile piston rings, valves and gear box parts, steel lighting columns and other structural steel shapes. The latter are coated with zinc or aluminium and can withstand atmospheric corrosion for 10-20 years or more.

A typical application in general engineering is the spindle of a grinding wheel; this must run in a tight bearing to prevent the slightest play, so it needs constant "taking-up." The application of a blended-coating of oxides of aluminium and titanium on an inexpensive steel base (used instead of a forging) led to the spindle remaining tight and has extended its life 24 times. The forks of fork-lift trucks on North Sea oil rigs are coated with aluminium-bronze which resists scuffing and corrosion and adds to safety by preventing dangerous sparking through scraping and impact with other metals.

As materials get scarcer and the cost of components increases there is continued expansion in the application of sprayed coatings to reclaim worn or corroded items of every sort. The savings are usually substantial as the cost of spare parts and of the lost production time, while they are otbained, is eliminated and the cost of subsequent maintenance is reduced because the sprayed part usually lasts longer in service. Reclamation also conserves materials and reduces overall energy requirements, especially when very large components, such as a ship's propellor shaft or the necks of large rolls, are treated.

A symposium "The Cost Effectiveness of Sprayed Metal Coatings" at the Europa Hotel, London on October 5 provides an opportunity for designers, managers, production engineers and maintenance engineers to hear of actual experience with sprayed metal coatings including details of the cost savings on specific components.

Papers will cover aero gas turbine manufacture and maintenance (Rolls Royce, Aero Division) railway locomotive engineering (British Rail Engineering) and mining practice (National Coal Board).

Metal spraying contractors will contribute costed case-histories on the protection of steel structures, process plant, paper making and converting and other engineering uses.

The programme and enrolment forms are available from The Association of Metal Sprayers, Chamber of Commerce House, Ward Street, Walsall WS1 2AJ; (0922) 25671.



● HANDLING

## Loading can be safer

A PROBLEM that can arise with marine loading arms—the powered, articulated pipe devices used at terminals to load/unload liquids such as hydrocarbons—concerns the possible over-reach of the arm (be it for tidal, drift or operational reasons) and subsequent damage to the ship's manifold due to the application of an intolerable bending moment.

An envelope required to service ships using a particular installation is contractual between supplier and purchaser but it is not possible (states marine arm maker National Supply Company (UK)) to follow the boundaries of this envelope by the current method of using limit switches.

The company has, therefore, designed a new system called Computalarm making use of an analogue computer. Three angle resovers are used to determine the angle of inclination of outboard and inboard arms and the angle of slew. Using the sensor signals the computer continuously calculates the arm-end position and compares this with built-in limits representing the contractual envelope boundaries.

The bounderies are adjustable and form the sides of a box shape laid down in the contract. Three such envelopes can be provided in the computer memory and an electronic scanner will sense in which of these the arm end lies. In any case, if the arm end crosses any boundary an alarm sounds.

National Supply Company is at Cheadle Heath, Stockport, Cheshire, SK3 0SA (061-428 0755).

Diamond core drills have helped to solve a difficult problem on Rotterdam's Koningshaven bridge following an accident involving a bulk carrier. The 56-year-old lift bridge had to be closed for repair, creating major traffic bottlenecks and prompt action had to be taken to repair two 250-tonne counterweights made of reinforced concrete which balance the bridge's centre section during raising and lowering. Suspension cable anchoring points projecting from the counterweights' upper faces were badly damaged and had to be replaced by new 88mm diameter tension bars fitted into diamond drilled holes. Sixteen of these, 120mm in diameter and 3.5 metres in length were drilled using Diamant Boart DB300LN drill rigs driven by 3 hp electric motors one of which is illustrated. Speeds were between 400 and 900 rpm and average penetration rate was 4.38 metres per eight hour shift. The penetration speed would have been much higher but for large sections of reinforcing metal which caused severe core barrel jamming. Adding to the problem was the fact that drilling had to be carried out while the weights were positioned on hoisting platforms some 70 metres high, inside the bridge towers. Limited clearance made the setting up of the drill rigs and the extraction of the cores extremely difficult. Coolant supply was also complex. The core drills contained 25/35 U.S. mesh natural diamond. Further from De Beers Industrial Diamond Division, Charters, Sunninghill, Ascot, Berkshire. 0990 23456.

● MAINTENANCE

## Cleans the engines as they run

NEWLY set up in London by its Norwegian parent, Ivar Rivenaes is to provide the equipment, chemicals and know-how required for the R-MC continuous diesel and gas-turbine cleaning system, of which it is the sole supplier and patentee.

Initially, all hardware and cleaning fluids will be supplied from Bergen; but in due course manufacturing plants will be set up in Britain, and the whole of West Europe (except Scandinavia), including all offshore oil rigs, will then be supplied from London.

The Rivenaes Motor Cleaning System (R-MCS) removes carbon, vanadium oxide, sulphur salts and atmospheric impurities from the internal surfaces of engines, without harm to engine materials or cylinder lubricants.

The non-flammable and non-toxic fluid employed is a bio-degradable surface-active mixture of tertiary amines and high-boiling-point tar acids dispersed in highly purified water. When injected into an engine during normal running it forms a film over the inner surfaces of air-charging systems, compression chambers and exhausts. The active agents in the film break down any deposits, converting them into a fine powder which is swept out with exhaust gases. Corrosion inhibitors in the fluid then coat the clean metal, thereby inhibiting the formation of fresh deposits.

There are three sizes of R-MC apparatus which between them cover the whole range of diesels and gas-turbines currently produced. Installation involves no more than fitting the necessary injector nozzles—usually in the air-intake of a gas turbine, or in each turbo-charger of a diesel. The number of injection points and their siting also depends on the degree of cleanliness required and the location of deposit "black spots" in particular engines.

Frequency of injection varies. In operation, some engines need an injection every 48 hours, others only one a week. Benefits occur in two main areas: the removal of abrasive and flammabable deposits prolongs the life of components and the periods between overhauls, while improved thermal efficiency produces significant savings in fuel.

Many operators have found that overall annual economies can exceed the cost of installing and running R-MC, so that the whole capital outlay can be written off in one year.

Ivar Rivenaes, c/o Norway Trade Centre, 20 Pall Mall, London SW1Y 5NE. 01-839 4607.

● SOFTWARE

## Better network operation

A DATA communications planning tool called MIND (modular interactive network designer) which will automatically create least-cost line layouts for centralised networks is to become available in Europe following a marketing agreement between Network Analysis Corporation of New York and PA Computers and Telecommunications (Pactel).

The user, who accesses U.S.-based computers via Telenet, first establishes a data base on his existing or planned telecommunications network by entering the geographical locations (in latitude and longitude) of the computers, terminals, etc.—the node points—together with such factors as traffic between locations, tariffs, and the response times needed.

A module of MIND will then design the least cost network, that is the precise way in which the nodes should be linked, and store it.

Apart from establishing the cost of a given network, MIND will also determine which terminals should be connected to which concentrators or multiplexers, and the cost of increasing (or decreasing) the line loading, traffic or number of terminals.

As well as printing out the cost of each point-to-point or multipoint circuit, with totals that enable checks to be made against PTT bills, the system is also able to perform reliability analysis in terms of the reliability of its components and the manner in which they are connected.

It then becomes possible to predict the percentage of time that a device in the network will be able to communicate with a central site, or where back-up might be needed to ensure adequate reliability.

Another part of the software will analyse the effect of varying traffic patterns, line control procedure and message length and will examine the network's sensitivity to variations in loading.

More from Pactel at 33 Greycoat Street, London SW1P 2QF (01-828 6374).



● COMPUTING

## Distributed System 34

ENHANCEMENTS to the System 34 computer, including a communication support feature which improves the computer's versatility in distributed data processing have been announced by the General Systems Division of IBM United Kingdom.

System Support Program Interactive Communication Feature (SSPICF), provides the foundation for a network of multiple System 34 computers to communicate interactively with a host computer.

With SSPICF, a host computer can initiate programs in the System 34 and multiple users on a System 34 can share one communication link.

Cobol has been added to the three fully-supported languages (RPG II, Fortran IV and Assembler).

A magnetic stripe reader provides computer system access, security and inventory control on the manufacturing floor. Cards with magnetically encoded stripes are inserted into the reader, which is attached to the IBM 5251 and 5252 display stations.

Other facilities include the provision of a multinational character set, an OCR A fount and improved software. IBM, 101, Wigmore Street, London W1H 0AB. 01-935 6600.

● AUTOMATION

## A mattress a minute

A FULLY automatic spring assembly machine comprising six integral modules which produce the assembled interior from coils of continuous springs, is said to turn out up to 400 mattress interiors in one eight-hour shift.

A particular feature of the machine is the pre-detection of various potential faults throughout the manufacturing process, followed by automatic shut down and indication of fault location.

Continuous operator attendance is unnecessary and reduction in manufacturing costs is promised, says the maker, Multilastic, 547, Buxton Road, Great Moor, Stockport SK2 7HL.

# BOOKS

## Endgames

BY C. P. SNOW

**Samuel Beckett by Deirdre Bair. Jonathan Cape. £8.50. 736 pages**

Dr. Deirdre Bair has produced what is almost certain to remain the most thorough record of Samuel Beckett's life. Beckett himself told her that he would neither help nor hinder. He will presumably say the same to anyone who attempts the job again. In any such future biography, there are bound to be some corrections to Dr. Bair's, and a few additions. Not many, one would guess. The factual substance of the life has been carefully hidden: and, in an external sense, it has not been a life specially rich in dramatic events.

Dr. Bair has hacked her way through all the difficulties in the best American tradition. She is a bit of a hero-worshipper, but she needed to be. This book is the work of years of interviews, travel, following half-clues, disentangling mystifications. She has lived under the influence of an American reverence for the Parisian expatriate school of art, but she has preserved some literary independence of her own. She has good human judgment, uncensorious, but also unsentimental. She has a nice accurate touch with Irish social gradations.

Deficiencies—she is not so accurate with English social usages, which since Beckett went to a Protestant school on the English pattern and to T.C.D. leads her into some gaffes, both about his education and later. She writes vigorously but sometimes without *precision*. Ethna MacCarthy—for whom Beckett had a young man's adoration—"*literally flew in the face of convention*," on the model of Gladstone being literally glued to the front bench for nine years. Similarly she is not precise about money. She gives dollar equivalents for sums in old francs, on *quite different scales*, most of them wildly wrong. This book should be kept in print, and if so, those minor irritations could be removed by a couple of hours of editorial attention.

Beckett was born in a fairly prosperous Protestant family, middle-class Anglo-Irish, father running the family firm. Beckett's mother played a violently dominating part in his existence until he was middle-aged. She was strong-willed, sternly and obsessively loving, determined that Beckett, the second son and from childhood the star of the family, should also take his place respectably in the family firm. Some psychiatrists have seen his fate determined by his mother's pressure and this bitter conflict. If one takes a grimmer view, his nature was such that, without her, it would have discovered fatality somewhere else.

As a *boy*, he was reserved but good-looking, attractive, gaining prestige at school and university by his skill at games. He played cricket with success for the university and has, as one of his *pleasing* oddities, stayed devoted to the game ever since. He must have studied his Wisden as a boy, and frequently read, as the result of a first-class fixture, the knell-like phrase "abandoned without a ball being bowled." For too long a time, that might have been one of his own statements about his own life.

Trinity College Dublin wanted to keep him as a don. He has always had a high-class academic intelligence, perhaps blinkered but penetrating and scrupulous. This has been part of his creative equipment, and has given him some of his strength. However, as a young man he could not fit into the academic life. He could not fit into anything. He drank like an Irishman—and continued to do so. Otherwise, he relapsed into hebetude. He had a variety of psychosomatic illnesses, and again those have continued. He simply chose to retire into himself and if possible to sleep.

He seems to have shown not much introspective insight into his own state, and the people round him, including doctors, were not helpful. Anyone who had kept his eyes open would have seen similar afflictions. It is now obvious that he was seized by a blend of schizoid withdrawal plus depressive anxiety. This is not uncommon, is wretched to live with, and often leads to something like total apathy. It seems to inspire protectiveness in others, and Beckett for years, when he could not respond at all, was still admired and loved.

The affliction is not uncommon. What is uncommon, of course, is for it to co-exist with a powerful if tormented creative impulse which, struggling among the inadequacies and the pain, wanted to express some truth about the human condition.

That truth had to be the inner voice of someone near an extremity of our condition. Hence Beckett's attempts, false starts, fugues of demented behaviour, literary rebuffs, abject poverty for so many years (his family could have kept him comfortably afloat, but his mother forbade it, since she required him dependent upon herself). Occasionally he had intermissions when the depression lifted—usually when he was in Paris free of his mother or had received some literary understanding or when the war came and he did some courier work in the first months of the Resistance. Before or since, any kind of political activity, or external activity whatsoever, seemed to him trivial and pointless *against the ridiculous horrors* of the extremes of the human condition as he knew them. But he is not all of a piece, and for a couple of years in the Resistance was both competent and brave.

His relations with women have been as dislocated as the rest. Occasional pickups, one or two affairs, a marriage which seems to have been more like the interchange of the two principals in *Endgame* than any marriage known to man. None of that was at the depth of his nature. There he wanted to express that man's *life is of necessity absurd*. He has told us that from birth it is nothing but a progress to death, usually to a humiliating death. Strip away the *hypocrisies*, the make-believes, the fake consolations, the comforts and blandishments of the *flesh*, then the ultimate absurd loneliness is what we are left with. There is nothing else. That is Beckett's honest vision. It is rather like the old Nordic picture of man's life being like a bird flying above the diners in a northern hall, from the outside darkness through the light into the darkness outside again. The only difference is that the Nordic picture wasn't so stark. The bird was supposed to enjoy the lighted hall.

No writer has had a more unrelenting vision. Though it is *true for each of us some of the* time, it is not true for most of us most of the time. It provokes one into a *psychological* argument, which would take too long here. It is enough to say that though Beckett is often regarded as a *disciple of James Joyce*, he became a writer different in kind and, to me at least, much more interesting.


Samuel Beckett: medium pace playwright

## Rostow's world view

BY CHRISTOPHER JOHNSON

**The World Economy: History and Prospect by W. W. Rostow. Macmillan, £25.00. 833 pages**

When Henry Ford said "history is bunk," he could hardly have foreseen that a leading economic historian would take the rise of his Model T as a key factor in the history of world economic growth. The emphasis on new products, technological innovation, and leading sectors is the hallmark of Rostow's approach. It is, as he claims, a useful corrective to the macro-economic concepts of both Keynesians and monetarists, even though he intermittently has to abandon it to "capture" (as he rather too frequently puts it) the vastness of his subject.

Rostow, as befits a former Special Assistant to the President of the U.S. on National Security Affairs, is not content to take an academic interest in economic history for its own sake. He has been criticised by some of his less ambitious academic colleagues for trying to impose patterns on sometimes dubious statistical series, rather as Arnold Toynbee was taken to task for his *Study of History*.

His earlier work on the stages of economic growth made much of the by now overworked concept of "take-off", and suggested a sometimes fruitful parallel between the major Western countries in the first half of the last century and the developing countries in our own times. But there seems to be little connecting thread between his interpretation of past history and his analysis of future prospects, which forms the last section of this book.

Enjoying as he does the Christian names Walt Whitman, Rostow is an optimist about future prospects for the world economy. But his discussion of current problems, such as natural resource constraints, pollution, and north-south tensions, is on predictable American liberal Establishment lines, and does not even ask the sort of questions which his historical material prompts in the reader's mind.

Was the rapid economic growth after World War Two a once-for-all aberration from a longer historical trend of slower growth, or has the whole process been irrevocably speeded up? If railroads, motor vehicles, steel and chemicals were some of the "leading sectors" of earlier phases of economic growth, what will be their equivalents in the next phase? In advanced societies, will a stage of stagnation or decline follow the stage which he calls "high mass consumption?"

Perhaps Rostow is ultimately too overwhelmed by the richness and variety of his material to impose upon it the coherent intellectual framework that would be needed to give confident answers to such questions. He has really written five different books, reflecting five different ways of writing economic history, and added a postscript about the future, on which he has already promised to write a separate book anyway.

The first two books cover population, which he rightly recognises to be the key to higher living standards; and his general theory of growth, prices and trade, giving due importance to the terms of trade between agricultural and industrial goods. Then comes a long description of "trend periods"; this is based on the Kondratie Cycle, although he falls t explain what Kondratieff actuall wrote, and differs from othe authorities on whether the 195 and 1960s were an upswing o a downswing in the Cycle. Thi is followed by a short and u satisfactory section on shorte business cycles, which shoul surely have been integrated int the account of the longer trend Then comes the economic histor of 20 important countries, wit valuable statistics and charts, bu rather scrappy narrative.

Rostow has drawn upon wealth of other sources for hi material. Too often their judg ments do duty for his own Although the book is over 80 pages long, much space is take up by the 275 tables, 157 chart and 176 pages of supportin appendices, notes and indice The text is in fact too short fo Rostow to be able to give ever aspect of his subject definitiv treatment. Many topics whic one might expect to find in book of this title are no covered; for example, economi history before the late 18th cen tury, multinational corporation money and banking.

*The World Economy*, by it scope and pretensions invite comparison with Adam Smith' *An Inquiry into the Nature an Causes of the Wealth o nations*, written just over 20 years ago. Rostow, with tw centuries of hindsight, has com piled a useful reference boo containing sometimes more, bu sometimes less insight into the process of economic growth tha Smith. What economists hav gained in numeracy since Smith's day, they have lost i literacy. To this trend Rostow is alas, no exception.

## Time remembered

BY REX WINSBURY

**The Fifties by Peter Lewis. Heinemann. £7.50. 256 pages**

Were the 1950s anything more than a consecutive set of four-digit numbers? Or a convenient book title? Probably not, in either mathematical or historical terms. But in publishing terms, well, that's different. By publisher's luck or judgement (one hardly ever knows which) the book came out within four days of *Grease* opening in London amid wild scenes. Travolta-led, the nostalgia boom for the 1950s is in full flood, and this book should ride the tide. Does it deserve to?

Yes, it does. Not as a profound book, since it is short on analysis, perhaps mercifully. But as a word picture of the decade, a sort of time-machine travelogue, glossy, urbane and humorous in a colour supplement sort of way, it reads well. So it should capture two markets at one go—those who (like the author and this reviewer) grew up in the 1950s and are trying to recapture their youth (or at least remember what it might have been like if they had only "plucked the day" instead of studying Wittgenstein and that amourous Latin poet with the long nose, as a logical preparation for the swinging '60s): and those who were not even alive then (or only just) and now have money to spend on fashionable recreation of a decade that to them is just history. Elvis died opportunely—from a commercial point of view, a perfectly timed release from reality into mythology.

The book has one weakness. It tries to straddle the Atlantic, perhaps for marketing reasons, in an attempt to sell on both sides of the ocean. But it means that the text jumps uncomfortably to and fro, never quite getting fully into the mood of either side. Obviously, there was much in common: but much that was different.

Nor can one easily forgive the crash of cliches in the final sentence — "Thus, anxiously, helplessly but still hopefully, the world staggered out of the decade in which its maturity car be said to have truly begun." Worthy of the truest Fleet Stree hack, this is fortunately no typical of the whole.

For like Proust's bun, even the opening page of pictures, frilli petticoats revealed on a roller coaster and an atomic mushroom cloud (did Winston really say "It went off beautifully" at Woomera?) unlocks the memory bank—Teds and Dockers, Sahl and Suez, Ike and Niki, Dors and Dean, Philby and Cripps, tanks in Budapest and Tiarks in London. All in all, a good wallow.

Fiction

## Soldiering on in Singapore

BY ISABEL QUIGLY

**Blood and Fire by Lorna Pegram. Gollancz, £4.95. 192 pages**

**The Singapore Grip by J. G. Farrell. Weidenfeld and Nicolson. £4.95 558 pages**

**The Master Mariner (Book I, Running Proud) by Nicholas Monsarrat. Cassell. £4.95. 524 pages**

**Natural Shocks by Richard Stern. Sidgwick and Jackson. £4.95. 260 pages**

*Blood and Fire* is highly readable, intelligent, funny, yet not quite as good as you feel its qualities should make it. Somehow it falls short of its promise, a little bit fails to convince. But in a week of blockbusters it stands out with slender distinction. It cuts and tapers its material, discards, measures, chooses. The trouble with it seems both social and temperamental. In the publisher's handout it is called "openly autobiographical." Some novels have shown this needn't matter, but here things seem not quite absorbed, not quite, or not enough, transmuted into art.

The embarrassments and self-consciousness that belong too closely to factual life, to the lived past, are not sloughed off entirely. Still it has its moments of startling light, truth, insight: these all dealing with human relations, with the meeting of souls. On the purely social or documentary level it is less successful.

Penny is a child of the Salvation Army, with parents totally committed to a life of duty and religious practice, a life without possessions or the usual worldlinesses, yet a rich life for a child, full of meaning, in which emblems play a part in everyday doings, every action has a spiritual meaning and each object suggests a state of mind, a belief, an abstraction. She lives, in other words, metaphorically and when, a wartime evacuee, she is whisked away into a bourgeois household it is not enrichment so much as difference that she finds. An actress, she adapts in no time to the unfamiliar customs and even a new name (they call her Penn, a mixture of images feathery and scribal); when her parents come to see her she curls up with remoteness and shame.

Gradually faith slips away, certainties are blurred, the world encroaches. Then, curiously, going home is a success, a relief; she settles more or less into the old patterns—though not the religious commitment—knits lacey jerseys with her neighbours, gossips and giggles, adapts again. This home part is the best, the family described with tenderness, the routines perfectly conjured; life in the alien atmosphere of the Grange seems less exactly, less feelingly remembered, or at least set down with a twinge of whimsy, self-consciousness, or something that borders on both. The writing is strong, delicate, and I think will be memorable: moments stick in the mind, odd phrases are a delight.

*The Singapore Grip* is a long documentary novel packed so tightly with information that at times there scarcely seems room for the characters to breathe. As if he were writing history the author gives a bibliography of over 50 books and acknowledgments to writers of reports on the rubber industry, on smallholdings and Chinese love terminology, to old Singapore hands, and even to those who first gave him the idea for its ribald title. This is, I think, a mistake: listing his sources in this way suggests too studious an approach in a novelist, too deliberate an attitude in research. Every page is filled with facts and figures, opinions and ideas: with colours and smells, clothes, food, furniture, streets and houses; views on this and information on that — political, commercial, historical.

Through all these the humans squeeze, almost as exactly described and sometimes with a strangely dreamlike air, so totally at variance is their absurd way of life with the disaster about to sweep it away. For we are in Singapore on the eve of the Japanese invasion, and everyone is totally unprepared.

J. G. Farrell won the Booker Prize five years ago with another remarkably researched novel, *The Siege of Krishnapur*, and clearly has the ability to put himself not just inside other people's skins but into the whole ambience of another time and place than his own. Today pre-war Singapore seems almost wierdly remote, *particularly* its people, the charmless, arrogant British-abroad in that particular part of the world, in those particular circumstances, whom Maugham and in another way Forster caught so well.

*The Master Mariner* is enormous as well, and *Running Proud* is only "Part I," so presumably the whole will be at least twice as long. Realism and fantasy have *sometimes* been successfully mixed in fiction and there's a sense in which fantasy demands realism (the realistic accidents to convince one of the fantastic substance). But generally, and at a stolid level like Nicholas Monsarrat's, no English *seafaring* life from Elizabethan times on (potted or panoramic—in a sense it is both) is shown through the adventures of a hero who *doesn't die*.

Cursed with corporeal immortality as a punishment for cowardice in the face of the Armada, Matthew Lawe turns up, an eternal 25, in each episode —north west with Hudson, to the Caribbean with Morgan's pirates, with Pepys at the Admiralty, Atlantic fishing in the early 18th century and voyaging with Cook in the later, Nelson's right-hand man till Trafalgar—and there we leave Book I (Book II is to bring him up to modern times). Artistically, this doesn't work.

Virginia Woolf's '*Orlando* is one thing; an ordinarily-envisaged fellow who happens to have a dark secret (he's, would you believe it, 200 years old) another, and quite absurd. Besides, it means a loss of the *sense of period*, since Matthew, everlastingly himself, is just as everlastingly no one: his reactions are neither those of his time nor those of any other (is he shocked at this? accustomed to that?).

But as one doesn't feel much for him anyway, perhaps it scarcely matters, and the fact that he's there for *magical* reasons is quickly forgotten in the realistic exactness of each episode. The novel must be taken as a straightforward adventure story, with Matthew at the centre or on the fringe of great events. Violence is laid on with too much zest for my taste: the horrors of pirate behaviour, in particular, being described in slow, nasty detail as they roast, flay, tear or slowly chop to bits the wretched Spaniards they lay hands on.

*Natural Shocks* is an American novel that has been highly praised by, among others, Philip Roth. Its main character is a highpowered journalist in the world of journalism; but a man still able to respond to *others* in a direct and personal way, still a human being. While considering a piece on death he meets an 18-year-old girl dying of cancer, and a loving, non-sexual relationship springs up between them. There's a lot more in this extremely close-packed novel, some of it moving; but to me it gives a feeling (though this may be partly the idiom, the unfamiliar fashions) of soft-centredness, a rather too easy, too glib use of large themes.

## Downbeat don

BY RACHEL BILLINGTON

**Jake's Thing by Kingsley Amis. Hutchinson, £4.95, 285 pages**

*Jake's Thing* turns out to have a serious purpose. This is just as well since the comedy, though always brilliantly observed, twitches the lips but turns sour before it reaches the palate.

Jake Robinson is an Oxford don. He is suffering from a diminution of his libido—not justified (he thinks) by his 59 years and his fat wife. He begins a course of psychiatric treatment which includes having a "nocturnal measurator" hung on his "thing" at night and a public stimulation session with erotic material. However it gradually becomes clear to him that this is doing no good and to us that his problems stem more from his selfish, unloving attitude to women than any physical defect. To put it more sympathetically, he is having difficulty in coming to terms with a feminine age in which the role of male chauvinist is no longer acceptable. The message is not a funny one.

Sex has always been considered a safe way to raise a laugh and excite the reader. Unfortunately, the book is so persistently told through Jake's eyes that his "general *loss* of drive" communicates itself all too well and finally atrophies the mind in a blanket non-titillation. When Brenda, his fat wife (who has just lost five ounces with "Guzzlers Anonymous") complains that he goes through their prescribed "non-genital sensate focusing session" as if he was "grooming a horse" or "pumping up a bicycle tyre" we share her disenchantment.

The only time Jake manages to struggle out of his slough of ennui is when he gets so drunk that the following morning he can remember nothing of it. His hangover, on the other hand, dominates the book for quite some time.

As a serious book, *Jake's Thing* is much more successful. In a neatly engineered climax (of a dramatic sort) during a country weekend edition of his group therapy "workshop" Jake passionately rejects all his psychiatric treatment:

"I don't want to hurt your feelings unnecessarily or say anything I might regret, so I'll just tell you you're a disgrace to the medical profession, which admittedly is saying something. As practised by you, sexual therapy doesn't exist."

His true self, he asserts has never been touched by his treatment.

It has, however, affected him in a way he hadn't realised. His wife (now two and a half stone lighter) decides to leave him for a mutual friend who, though not possessing an Oxford don's intellect, has the infinitely preferable virtue of a regard for women.

Jake is left alone. He has not bartered his principles of superior intellect but his life is more sterile than ever.

Throughout the book the voice of dissatisfaction with modern England is heard loud and clear. There are the dreadful journeys across London:

"Every 6-7 minutes was how often 127s were supposed to turn up at the stop by the Orris Park Woolworths, so to be given the choice of two after only 10-11 was rather grand and certainly welcome in the increasing rain and squirts of cold wind."

There is the college meeting featuring "the political scientist who ran a current-affairs programme on TV" and "The writer in residence, who had often declared that he had done no writing at all as yet and had no plans for doing any while in residence." In some ways this background material is more vivid than the foreground. Here is the strong Kingsley Amis voice.

Or perhaps Jake's "general loss of drive" is less dampening when applied to Oxford, drink or the decline of the quality of life. In general, it seems a pity that Mr. Amis chose to tell the tragic tale of the declining male with quite such an unsympathetic protagonist.


Kingsley Amis: no joy for Jake

## Lost Suffolk

BY JOHN FALDING

**Men of Dunwich by Rowland Parker. Collins. £6.50. 272 pages**

We reach the fullest understanding of our past, and derive most enjoyment from it, when we recognise that our ancestors, whatever their circumstances, were not all that different from ourselves.

Rowland Parker's second historical reconstruction usefully and amusingly demonstrates that emotions, ambitions and intrigue encountered 600 years ago were remarkably similar to our own. Human nature also repeats itself, it seems.

Mr. Parker sets out to define the social and geographical development of the lost Suffolk port of Dunwich which in medieval times was one of England's most prosperous. Little remains of it, the sea's successive ravages having taken their most exacting toll in the middle of the 18th century. Dunwich survives only as a crumbling cliff between Aldeburgh and Southwold and in the legend that its bells can still be heard from beneath the waves.

As in his earlier, equally exhaustive *The Common Stream*, which chronicled the growth of village life, Mr. Parker builds on the minutiae of official record—in this case the Patent Rolls and Inquisitions and the Red Book of the Exchequer among others.

Here is a comprehensive and illuminating survey of 12th and 13th century life—the varying relationship between town and crown, the recurring "war games" of the nobility, the guile of the citizens and the nature of the export trade between Dunwich and northern Europe and Gascony.

It is somewhat disconcerting that, for the sake of chronological neatness, the opening chapters of such a factually-based book should be so speculative. But once the origins of the town have been considered, Mr. Parker's tale takes flight.

## Scot in Africa

BY RICHARD HALL

**David Livingstone: the Dark Interior by Oliver Ransford. John Murray, £8.50. 311 pages**

The challenge of Africa well matched the mid-Victorian mood. Having achieved much in a few decades to uplift its own poor, Britain felt well able to lend a hand to the heathen. David Livingstone, far more than any other man, had galvanised the country for this task. Although other diverse influences came later, his original call to action in 1857 is echoing still: "I go back to Africa to try to make an open path for commerce and Christianity; do you carry on the work which I have begun!"

The hagiographers of his time portrayed him as a saint. Cynics have since branded him as a hypocrite, fawning upon the cotton merchants of the Manchester Chamber of Commerce. Assuming that the truth lies somewhere between, can there be much to add to the countless lives of the indefatigable Scot? Dr. Oliver Ransford, whose earlier books prove him a diligent scholar of nineteenth-century Africa, now brings his medical skills to bear to present the great explorer-missionary in rather a new light. He identifies Livingstone as a victim of hereditary cyclothymia—in other words, a manic depressive.

It is a fair hypothesis. Any African traveller a century ago needed to be somewhat mad, the death-rate being so high; Livingstone trudged further and for longer than any of his rivals, until he simply keeled over. Only death stopped him walking.

The author has followed Livingstone's tortuous trails, through the forests and along rivers. In spite of being an uneven writer, he does give a true feel of the "dark interior" in his title—that of the continent itself and of his subject's psychology. Dr. Ransford has lived for 40 years in Africa and now works as an anaesthetist in Rhodesia. He ends his book rather poignantly: "Instead of cursing the darkness of Africa, Livingstone had lit in it many candles of hope, which were shielded for nearly a century by his countryman's conscience."

## UK ECONOMIC INDICATORS

**ECONOMIC ACTIVITY**—Indices of industrial production, manufacturing output engineering orders, retail sales volume (1970=100); retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

| | Indl. prod. | Mfg. output | Eng. order | Retail vol. | Retail value | Unemployed | Vacs. |
|---|---|---|---|---|---|---|---|
| 1977 | | | | | | | |
| 2nd qtr. | 105.5 | 102.5 | 106 | 102.5 | 222.0 | 1,330 | 163 |
| 3rd qtr. | 106.5 | 103.4 | 106 | 104.3 | 234.2 | 1,418 | 151 |
| 4th qtr. | 106.0 | 102.2 | 106 | 104.4 | 239.4 | 1,431 | 157 |
| 1978 | | | | | | | |
| 1st qtr. | 107.2 | 102.7 | 98 | 106.3 | 246.0 | 1,409 | 188 |
| 2nd qtr. | 110.8 | 104.3 | | 108.0 | 254.2 | 1,367 | 213 |
| April | 111.1 | 104.7 | 104 | 106.7 | 250.3 | 1,387 | 204 |
| May | 110.0 | 109.1 | 117 | 108.4 | 259.2 | 1,366 | 210 |
| June | 111.4 | 105.1 | | 108.7 | 257.3 | 1,365 | 217 |
| July | 111.8 | 105.1 | | 111.4 | 265.8 | 1,371 | 211 |
| August | | | | 111.5 | | 1,392 | 209 |

**OUTPUT**—By market sector: consumer goods investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1970=100); housing starts (000s, monthly average).

| | Consumer goods | Invst. goods | Intmd. goods | Eng. output | Metal mnfg. | Textile etc. | Housg. starts* |
|---|---|---|---|---|---|---|---|
| 1977 | | | | | | | |
| 2nd qtr. | 104.0 | 98.2 | 115.9 | 99.2 | 102.4 | 100.8 | 25.1 |
| 3rd qtr. | 104.1 | 99.4 | 118.7 | 100.2 | 108.0 | 101.3 | 25.4 |
| 4th qtr. | 104.5 | 98.3 | 114.5 | 99.1 | 95.2 | 100.1 | 20.7 |
| 1978 | | | | | | | |
| 1st qtr. | 105.2 | 100.7 | 116.3 | 101.5 | 95.4 | 98.1 | 17.8 |
| 2nd qtr. | 106.3 | 100.6 | 121.3 | 101.7 | 109.3 | 99.3 | 26.7 |
| March | 105.0 | 101.0 | 116.0 | 102.0 | 100.0 | 98.0 | 20.7 |
| April | 107.0 | 100.0 | 122.0 | 102.0 | 108.0 | 103.0 | 25.4 |
| May | 105.0 | 101.0 | 120.0 | 101.0 | 107.0 | 97.0 | 25.1 |
| June | 107.0 | 101.0 | 122.0 | 102.0 | 114.0 | 98.0 | 29.6 |
| July | 106.0 | 102.0 | 123.0 | 102.0 | 119.0 | 102.0 | 23.6 |

**EXTERNAL TRADE**—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

| | Export volume | Import volume | Visible balance | Current balance | Oil balance | Terms trade | Resv. US$bn* |
|---|---|---|---|---|---|---|---|
| 1977 | | | | | | | |
| 2nd qtr. | 118.0 | 108.6 | −762 | −297 | −745 | 100.3 | 14.9 |
| 3rd qtr. | 124.4 | 106.6 | + 31 | +574 | −602 | 101.0 | 13.4 |
| 4th qtr. | 117.6 | 102.7 | − 5 | +507 | −657 | 102.4 | 20.39 |
| 1978 | | | | | | | |
| 1st qtr. | 119.9 | 114.1 | −612 | −317 | −646 | 104.9 | 20.63 |
| 2nd qtr. | 122.2 | 109.6 | −135 | +198 | −420 | 104.5 | 16.75 |
| April | 125.7 | 103.7 | +192 | +303 | −149 | 104.1 | 17.04 |
| May | 119.2 | 113.8 | −227 | −116 | −155 | 105.2 | 16.66 |
| June | 121.6 | 111.3 | −100 | + 11 | −116 | 104.2 | 16.54 |
| July | 127.0 | 115.8 | −132 | − 57 | −229 | 104.5 | 16.74 |
| August | 125.0 | 111.4 | + 58 | +133 | −107 | 105.7 | 16.4 |

**FINANCIAL**—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

| | M1 % | M3 % | Bank advances % | DCE £m | BS inflow | HP lending | MLR % |
|---|---|---|---|---|---|---|---|
| 1977 | | | | | | | |
| 2nd qtr. | 24.8 | 14.9 | 5.5 | +769 | 1,290 | 1,047 | 8 |
| 3rd qtr. | 28.0 | 10.4 | 20.3 | +365 | 1,084 | 1,149 | 7 |
| 4th qtr. | 23.2 | 12.6 | 8.8 | +698 | 1,565 | 1,189 | 7 |
| 1978 | | | | | | | |
| 1st qtr. | 24.3 | 23.8 | 17.5 | +1,791 | 1,049 | 1,260 | 6½ |
| 2nd qtr. | 8.5 | 15.7 | 24.7 | +2,869 | 694 | 1,393 | 10 |
| April | 18.7 | 24.3 | 12.6 | +1,432 | 335 | 463 | 7 |
| May | 13.1 | 17.2 | 18.3 | +1,128 | 212 | 471 | 9 |
| June | 8.5 | 15.7 | 24.7 | +315 | 147 | 459 | 10 |
| July | 9.3 | 9.5 | 35.1 | +114 | 200 | 458 | 10 |
| August | 5.5 | 1.5 | 15.9 | −276 | 200 | | 10 |

**INFLATION**—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1970=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

| | Earnings* | Basic matls.* | Whsale. mnfg.* | RPI* | Foods* | FT* comdty. | Strlg. |
|---|---|---|---|---|---|---|---|
| 1977 | | | | | | | |
| 2nd qtr. | 114.5 | 149.5 | 138.3 | 181.9 | 191.1 | 50.0 | 61.6 |
| 3rd qtr. | 116.1 | 146.4 | 142.9 | 184.7 | 192.1 | 239.9 | 61.8 |
| 4th qtr. | 119.9 | 142.2 | 145.9 | 187.4 | 193.3 | 234.2 | 63.3 |
| 1978 | | | | | | | |
| 1st qtr. | 123.1 | 140.2 | 149.2 | 190.6 | 197.3 | 238.61 | 64.6 |
| 2nd qtr. | 129.9 | 146.3 | 152.0 | 195.8 | 203.8 | 342.27 | 61.5 |
| Feb. | 122.7 | 139.1 | 149.2 | 190.6 | 197.3 | 224.86 | 66.0 |
| March | 125.0 | 142.0 | 150.0 | 191.8 | 198.4 | 238.61 | 64.1 |
| April | 127.2 | 145.1 | 150.9 | 194.6 | 201.6 | 238.94 | 61.8 |
| May | 129.4 | 146.5 | 151.9 | 195.7 | 203.2 | 250.67 | 61.5 |
| June | 133.1 | 147.0 | 152.7 | 197.2 | 206.7 | 242.27 | 61.5 |
| July | 133.5 | 145.7 | 153.8 | 198.1 | 206.1 | 237.65 | 62.5 |
| August | | 144.3 | 154.5 | 199.4 | 206.2 | 245.54 | 62.4 |

* Not seasonally adjusted.

# LABOUR NEWS

## Dock report may not settle detailed manning cuts

BY OUR LABOUR STAFF

THERE WERE growing indications yesterday that the joint union-management committee examining ways of improving the performance of London's Upper Docks will not produce the kind of detailed consensus on manning the employers were hoping for.

The Port of London Authority is expecting the committee to have a report, agreed by both sides, ready for October 23 for discussion by the Board.

Although it was recognised that further talks would have to be held on changed working practices and manning levels after that date, management hoped that some consensus on detailed manpower changes would have emerged.

Both sides would then be able to present joint proposals to Mr. William Rodgers, the Transport Secretary. He agreed earlier this year to make £35m available to save the Royal Group of docks, provided there was an extensive cost-cutting operation.

The PLA has been talking unofficially of cutting between 2,000 and 2,500 jobs from the Upper Docks labour force of 4,000.

A Government-commissioned report on the future of the PLA by accountants Price Waterhouse also suggests cutting 2,500 jobs.

Union officials on the committee have told management that they are prepared to look at the overall question of manpower, but details of job cuts should be left to individual unions and union sections.

This could be done only in areas where individual unions agreed there was overmanning. Union officials have also made it clear that severance would be agreed only on a voluntary basis.

The unions have stressed that agreement on manning reduction must be coupled with broad commitments on dockland redevelopment to provide new jobs.

The joint committee meeting yesterday discussed relationships between levels of trade and manning.

## Trawler action agreed if talks fail

By Our Aberdeen Correspondent

ABERDEEN TRAWLERMEN have voted overwhelmingly to take industrial action if talks to "decasualise" the local fishing fleet fail. The men, members of the Transport and General Worker's Union, demand security of employment with a guaranteed weekly wage.

The union has set the end of the year as a deadline for decasualising the 86-strong trawler fleet, the biggest outside the Humber ports.

A strike decision will depend on how much progress is made by the New Year.

Mr. Mel Keenan, Aberdeen TGWU fishing officer, said yesterday: "The ballot does not mean immediate action but our members have given us permission to call action if necessary.

"Talks would have to break down completely. If at the end of the year agreement has not been reached, we will have to assess our commitments then."

He said that 701 trawlermen, over 90 per cent of those employed in Aberdeen, had voted. Those supporting action were 671.

"The employers have said the men don't want decasualisation, but the ballot result shows that the men do want it," said Mr. Keenan.

The union has been pressing the policy for five years. It wants trawlermen to have all rights under employment legislation. The union and employers will meet in Aberdeen on September 27.

Mr. Bob Allan, chief executive of the Aberdeen Fishing Vessel Owners' Association, said the employers would welcome "a proper scheme," but both sides would have to accept the obligations as well as the benefits.

The end-of-year target, he said, was unrealistic because the involvement of the Government in certain aspects of the scheme would mean negotiations taking longer.

## Toolroom men seek pledge by AUEW

By Arthur Smith, Midlands Correspondent

THE PROSPECT of an all-out strike by BL Cars' toolmakers emerged again yesterday following a meeting of the unofficial toolroom committee, under the leadership of Mr. Roy Fraser.

In what has become a cat-and-mouse confrontation with the leadership of the Amalgamated Union of Engineering Workers, the committee urged the union's national executive to support the case of the 32 toolmakers at SU Fuel Systems whose strike over pay parity is now in its seventh week.

In the absence of such a commitment, the committee has decided to recommend "industrial action." A resolution carefully left open both the exact terms of any commitment and the form of action that would be adopted.

Mr. Fraser, who made clear he favours a total stoppage, also placed new demands on the executive.

He said that any formula that could meet the obligations towards the SU men had to take account of the demand by all toolmakers for improved differentials and would therefore require their involvement in negotiations.

### Suspicions

Toolmakers wanted assurances of a firm date for staged moves towards pay parity. Such undertakings should be independent of productivity, as the skilled men could not themselves determine output levels.

The toolroom committee is clearly keen to make known the suspicions of skilled men about negotiations now under way between management and unions on pay reforms.

The AUEW executive, whose action in supporting expulsion of the SU men, mobilised support for Mr. Fraser, knows that it must tread carefully.

Union leaders have made it clear that they cannot make a special case for the 32 toolmakers without provoking claims from other groups of workers.

The SU men meet again in Birmingham today when they expect to receive a report of the executive's opinion from Mr. Bill Jordan, divisional officer of the AUEW.

• British, French and Spanish union leaders are to meet representatives of Peugeot-Citroen unions in Paris next month to discuss the implications of the company's proposed take-over of Chrysler's European operations.

## Ninian platform stoppage ends

BY OUR GLASGOW CORRESPONDENT

THE TWO-WEEK strike of 850 construction workers on Chevron's Ninian Central platform ended yesterday.

At a mass meeting in Glasgow the men agreed to return on condition that agreements covering offshore hook-up and commissioning work are re-negotiated to improve the conditions on eight North Sea rigs and platforms.

A meeting in London is to be held on November 14 between national officials of the four main unions involved, the Oil and Chemical Plant Constructors Association, and the Scottish joint industry board for the electrical industry, which respectively cover about 4,000 construction and electrical craftsmen employed offshore by specialist sub-contractors.

The Ninian shop stewards are demanding that the two agreements negotiated through these associations are brought together and tightened up, so that they provide better safety and working conditions and are less open to misinterpretation by either side.

Mr. Tom Brown, for the shop stewards, said the dispute had been over these conditions, and not about money. They would still be pressing the Energy Secretary, Mr. Tony Benn, for an inquiry into offshore conditions, which he described as "generally deplorable."

With the ending of the strike Chevron is beginning today a drive to prepare the pipeline between the central manifold platform and Shetland's Sullom Voe oil terminal for the expected arrival at the end of this month of the first oil from Unocal's Heather Field.

Heather, where production wells are being drilled, will use the Ninian system via the central platform. The pipeline from Heather to the platform is complete and tested, but Chevron estimates there is some eight to 10 days' work left on the main line to Shetland.

The dispute is unlikely to affect Shetland's timetable for production from the central platform, which calls for drilling to begin early next year with production starting in mid-year.

## Social workers set up strike committee

BY PAULINE CLARK, LABOUR STAFF

SOCIAL WORKERS' union leaders have set up a strike operations committee to co-ordinate moves to spread industrial action over regrading and bargaining practices throughout the country.

The National and Local Government Officers' Association said yesterday that social workers in the London boroughs of Lewisham and Brent were already "on the verge" of joining some 700 striking colleagues in Tower Hamlets and Southwark, London, and in Newcastle upon Tyne, some of whom have been taking industrial action for more than a month.

Other areas outside London, including Liverpool, Manchester, Strathclyde and Mid-Glamorgan, were also said to be near to exhausting procedures for a local settlement to their claims and were likely soon to be considering industrial action. The union claims to represent some 20,000 social workers.

The workers want a return to local bargaining on wages and conditions but employers on the national joint negotiating council insist on keeping negotiations national.

New proposals by employers for an interim examination of grading structures among their professional employees, including social workers, are unlikely to be accepted by the union as a basis for recommending an end to industrial action.

The union says it is bound by a decision of its 1977 conference to continue pressure to devise a local bargaining structure. The social workers believe that would give greater recognition to the extra work and responsibilities required in areas where social needs are most concentrated.

## Bank staff leaders object to Phase Four

By Our Labour Staff

THE POLICY-MAKING committee of Barclays Group Staff Association rejected Phase Four pay policy yesterday as "rigid and divisive."

Mr. Eddie Gale, the association's general secretary, said that next year's pay increase for bank staff should be no less than the rise in the cost of living for the 12 months to July, the clearing banks' settlement date.

With a 5 per cent settlement, only substantial tax reliefs would provide any hope that living standards of the association's members could be maintained.

"Again, we have to say that we cannot accept the continued distortion of our carefully evaluated salary structure. Those differentials which have been eroded must be restored.

The staff association said Mrs. Margaret Thatcher, leader of the Opposition, and Mr. Jim Prior, the shadow employment spokesman, had promised non-TUC-affiliated staff bodies that they would be consulted by any future Conservative administration on incomes and employment policies.

The undertaking was given at a meeting with representatives of the Managerial, Professional and Staff Liaison Group, which represents several non-TUC-affiliated employee organisations.

## Ennals meets hospital unions in peace bid

BY PAULINE CLARK

HEALTH authorities throughout the country continued yesterday to report widespread industrial action by hospital works officers as Mr. David Ennals, Secretary for Social Services, stepped in to try to solve the dispute over a differential claim.

The 3,500 works officers represented by five unions, including the Confederation of Health Service Employees and STAMP, the white-collar section of the Construction Union, are in the middle management hospital grades. They are responsible for supervising laundry machine maintenance and equipment in central sterile supplies departments.

Mr. Ennals met the union leaders at the Department of Health to discuss their rejection of a pay offer which they say would mean that some of their members would earn less money than the craftsmen who work under them.

The offer of between £4,497 and £5,073 for bottom-grade supervisors, for instance, compared with £4,750 to £5,000 for top-grade craftsmen, is based on a new salary structure tied to the 1974 reorganisation of the Health Service.

## Shipyard talks

ADMIRAL Sir Anthony Griffin, chairman of British Shipbuilders, is to meet North-east officials of the TUC today for talks on the future of the region's shipyards. Unions are concerned about a shortage of orders for yards on the Wear, Tyne and Tees.

## Commuter trains hit

By Our Labour Correspondent

SOUTHERN REGION train services into Victoria and London Bridge were seriously disrupted yesterday because of a 24-hour unofficial guards' strike.

Thousands of passengers were delayed as about half of the day's normal total of services were cancelled. Many trains which did run were delayed for long periods.

Guards at seven depots in the London area staged the strike to protest at senior railwaymen manning trains because of a shortage of guards. Services are expected to return to normal today.



## Healey reply on low-paid

BY OUR LABOUR EDITOR

MR. DENIS HEALEY, the Chancellor, yesterday defended the Government against charges that its incomes policy exemption for the lowest paid workers was so narrow as to betray a lack of concern.

He published an exchange of letters with the National Union of Public Employees, which is leading a campaign to defeat the 5 per cent Stage Four limit for about 1½m public service workers.

NUPE complained to the Chancellor last month that the qualifying limit for exemption from the 5 per cent rule—earnings of £44.50 a week—would not bring the low-paid out of poverty and that it was not, as suggested by the White Paper, truly comparable with the 1974 TUC minimum pay target of £30 a week.

Mr. Healey rejected NUPE's suggestion that the Government should accept a minimum basic wage of two-thirds average earnings, about £60 a week, which is the public service unions' negotiating target this year.

The Government was not trying to set any national minimum wage, but to help the lowest paid without upsetting the counter-inflation strategy, the Chancellor said.

A higher qualifying limit for the low-paid would have meant setting a national settlement limit of less than 5 per cent. "I do not know whether your executive council would have preferred that, but I am doubtful whether it would have been generally acceptable," he writes.

He said Treasury officials had not been able to come "anywhere near" NUPE's figures suggesting that the £44.50 was too low to remove a family man from among those dependent on supplementary benefits. To be better off on supplementary benefit a wage-earner with two children would have to be earning less than £21 a week gross, he said.

He defeneded the phased pay increases for senior public servants, which NUPE had claimed loiwered Government credibility in the eyes of workers in those industries.

"I find that a very strange suggestion, since it amounts to saying that noithing should be done towards remedying one pressing problem until others are solved." Top salaries had been depressed for years, he said.

The Chancellor adds: "You will see that there are none of your specific points to which I can subscribe. Most of them are based on misunderstandings. The Government's commitment to help the low-paid is clear and illustrated by the measures we have taken. There is no evidence to support the charge of any lack of sincerity."

Rejecting the idea of linking minimum wages to average earnings, he says: "In the Government's view, levels of pay and increases in them are best left for settlement by negotiation, subject to the guidelines in the White Paper and reinforced by existing statutory provisions which can take full account of all the relevant circumstances."

The White Paper says that settlements of more than 5 per cent will be permitted for workers who would need more than 5 per cent to bring them up to £44.50 a week. The figure was arrived at by taking the £30 TUC basic rate target of 1974 and adding the maximum permitted increases under the four stages of incomes policy. In other words probably only those who failed to reach *earnings* of £30 a week in 1974 would benefit.

# Advertising and...

## B-Cal raises stakes to £2m

SEEKING TO consolidate its position as a major international carrier, British Caledonian is about to saturate the London, Southern and Scottish TV areas with a £2m campaign via Saatchi and Saatchi, writes Michael Thomson-Noel.

The budget reflects considerable expansion on British Caledonian's previous expenditure of around £250,000 to £300,000 a year and matches the £2m British Airways is putting behind its new campaign. British Caledonian's burst follows its acquisition of the Houston route and the opening-up of numerous foreign markets.

Charles Saatchi—relieved to be discussing a client other than the Conservative Party—said yesterday the airline was typical of numerous Saatchi clients that had heavily extended their brand advertising this year.

"Anchor Butter is a good example. It has tripled its expenditure to £2.25m and discovered that sheer weight really works. It has taken a greatly improved brand share. In fact most of our clients are displaying a very positive attitude to big budgets. A lot of our growth in recent months has come via increased spending by existing clients."

## Toblerone resigned by ABM

ALLEN, BRADY and Marsh has resigned the £500,000 Toblerone account, partly on the grouds of unprofitability and partly because the Swiss chocolate maker is likely to spend considerably less on its triangular honey from triangular bees in the next marketing period . . . In the wake of General Foods' split with Leo Burnett, the £750,000 Dream Topping business has gone to Grey Advertising, the £700,000 Angel Delight to Young and Rubicam and the Bird's Custard brands to Benton and Bowles. . . Woolworth is spending £300,000 on the launch of new products in the Tu cosmetic range. The agency is NCK . . . TBWA is spending £400,000 on its admired Johnnie Walker Black Label Scotch ads between now and next Christmas . . . Grey Advertising has opened an office in Glasgow . . . Rediffusion is spending £300,000 via OBM this autumn . . . Davidson Pearce is spending the same sum on behalf of Batchelors' Quick Custard, said to be the biggest brand in the convenience custard market.

## A Campaign that really shows a profit

BY MICHAEL THOMPSON-NOEL

WITH SOME insouciance, even for him, David Abbott, the noted London copywriter, told a marketing conference at Wembley last autumn that the previous week he had had the pleasure of sitting next to the editor of Campaign magazine for lunch. "I congratulated him on his front page," said Mr. Abbott smilingly. "I told him it contained at least two accurate figures. The date and the price."

Now Mr. Abbott likes a joke—the conference was sponsored by Campaign. But the remark may have said more about its readership than it did about *Campaign*, which at the Savoy tonight is staging a huge tenth birthday junket.

Campaign is the weekly trade magazine of advertising. Each Thursday it sets out to plot the arrival or departure of this account or that. It reports appointments and sackings and talk about rifts and occasionally displays an heroic determination to reflect something of the "gossip, rumour and envy" which according to Frank Lowe, former managing director of Collett Dickenson Pearce, permeates and fogs the lower echelons of the advertising business.

Its readers are never quite sure whether to love it or loathe it, for advertising men can be as fickle as actors. But they read it. My word, how they read it.

On strictly commercial grounds, Campaign magazine must be rated among the most successful, most lucrative trade publications in Britain. It sounds remarkable, but the best estimate that can be arrived at is that Campaign is currently making a profit for the Haymarket Publishing Group of slightly in excess of £1m. As that figure draws no denial from Haymarket Publishing, I will say it again . . . . slightly in excess of £1m.

In some respects, Campaign's fortunes are hitched to those of the advertising world itself. When the industry is buoyant—it is currently in the midst of one of the most sustained bonanzas since the war — Campaign does well.

It is doing very well at present. According to Graeme Andrews, the Haymarket director in charge of Campaign, the magazine this year is carrying an approximate weekly average of 30 pages of display advertising and 16 pages of classified. Display rates range from £550 per page for black and white to just over £1,000 for colour. "It is our best year ever. We had a boom in 1973, but it is even bigger now."

Campaign is only one of 40 Haymarket publications which include Computing, Engineering Today, Accountancy Age, Management Today and Marketing. All are said to show a profit, but in terms of sheer return, Campaign is almost certainly the apple of Haymarket's eye. In line with the boom in advertising revenue, the magazine's ABC circulation has now hit an all-time high of 16,355, 1,000 up on the previous six months, and another big gain is expected for the second half of this year.

Costs are modest: it employs 22 editorial staff, eight display salesmen and eight classified salesmen. A recent offshoot, Campaign Europe, flopped as a weekly but has now gone monthly and is expected to survive.

Rumours that Campaign itself is potentially for sale at a sufficiently exalted price are stiffly denied by Mr. Andrews. "Haymarket has absolutely no intention of selling," he said this


week — surprised, perhaps, to find Campaign itself the subject of rumour. "As the weekly newspaper of advertising, it does not have a rival. We have a good product and we intend to go on serving the advertising community in the way we are serving it now — strongly."

But it *does* have a rival, Marketing Week, which is now into its 29th issue and is said to be prospering. Marketing Week was launched by a small band of independent backers including ex-Campaign editor Mike Chamberlain—he is decidedly *persona non grata* at Regent House. Marketing Week describes itself as the "independent weekly news magazine of marketing." That is not quite the same patch as Campaign's, but it does mean they are locked in battle for the same sort of ads. Each side affects not to notice the other but the rivalry runs deep.

According to its backers, the start-up and launch costs of Marketing Week were £70,000. The backers budgeted for a first year's trading loss of £100,000 but in fact expect to show a small trading profit. In its second 25-week period the magazine is expected to carry 500 pages of display advertising and about 200 of classified. So optimistic are the backers that they say they plan to launch a second business weekly next March.

None of which will in the least disrupt Campaign's birthday celebrations at the Savoy tonight. "We don't plan to change the magazine's formula," says Mr. Andrews, who reckons that part of the reason for the magazine's continued readership gains can be put down to a "much greater awareness of advertising generally."

As a sign of its maturity, the magazine last week invited Winston Fletcher, managing director of Fletcher, Shelton, Delaney, to help celebrate its tenth anniversary issue by conducting a small poll to discover what its readers thought were its vices—an act of bravery approximately equivalent to entering a lion's cage and lowering it into a shark pool.

Like Mr. Abbott, Mr. Fletcher enjoys a joke. His research was carried out among a statistically significant sample of sulkers, and unearthed five grievous grumbles: (1) that Campaign "incessantly publishes scandalous—and wholly erroneous rumours"; (2) that it relishes calamities and treats cheerful news like the plague; (3) that it adulates its darling agencies and reviles its *betes-noires*; (4) that it "endlessly over-exposes a small group of bumptious agency self-publicists"; (5) that it reflects a "shallow, trivialised view of admaking."

On the other hand, thought Mr. Fletcher, if the magazine were as naughty as its detractors claimed, it would need to publish pages of grovelling corrections each week, which does not appear to be the case. In his view: "Campaign works harder than any other trade paper in the land to be bright, lively, readable, provocative and entertaining. And I'm not just saying that 'cos its their birthday."

At a profit of around £1m, it is entitled to many happy returns.

## APPOINTMENTS

# The Marketing Scene

EDITED BY MICHAEL THOMPSON-NOEL

## Radio: has it still got an inferiority complex?

BY MICHAEL THOMPSON-NOEL

OMMERCIAL RADIO in Britain slowly throwing off its bobby-ver image. The network still eeds considerable expansion efore it can hope for the 8 to 0 per cent of total UK advertisig revenue regarded by some s its rightful due. There are still lenty of marketing directors ho shy in horror at the thought f exposing the golden oldies of rand-land in the rock-pop-phone- landscape of radio programing. And in the view of at least ne doyen of the creative scene, adio's single most stubborn roblem remains its inferiority omplex vis a vis the entrenched attalions of TV and Press.

But it is getting there. Gross evenue of the 19 ILR companies n the first six months of this ear was £13.1m, a 27 per cent ain on the same period in 1977. t the same point last year, evenue was as much as 65 per ent ahead of the first six months f 1976, but the rate of improvenent is obviously reducing as the nedium moves closer to selling ll its airtime.

According to a report by TMD, he media specialists, both the pring and autumn of 1977 were airly heavily demanded, at east on the major stations, so hat revenue increases in the eak months of this year have ended to reflect rate increases ather than higher volume. With nother round of rate hikes, and ontinued firm demand across he autumn, the rate of revenue ncrease over 1977 in the second alf-year can be expected to continue at about the same rate as n the first half. If this proves so, otal gross revenue this year will e about £29m, compared with £23.1m in 1977 and £14.7m in 1976.

All 19 have announced rate increases effective from this month or next. They vary from less than 10 per cent in the case of Liverpool's Radio City to more than 50 per cent at Capital, Hallam and Trent, but across the network, and allowing for off-peaks and packages as well as prime time, the average is around 30 per cent.

**ILR REVENUES**

| | 1978 (£) | Gain (%) |
|---|---|---|
| Jan. | 1,564,594 | 34.6 |
| February | 1,949,334 | 43.2 |
| March | 2,446,080 | 35.1 |
| April | 2,237,332 | 17.9 |
| May | 2,488,014 | 23.4 |
| June | 2,433,042 | 15.6 |
| Jan.-June | 13,118,396 | 26.7 |
| July | 2,309,023 | 31.2 |

Source: AIRC

But let us shuffle the figure-work back into the in-tray for a moment, and ask a few creative souls their views on radio's current performing power as an advertising medium.

Rod Allen, creative director at Allen Brady and Marsh, an agency famed for livening up the commerical breaks on television with a good old shot of song and dance, says the ABM principle is approximately the same for radio as for TV: "You've got to be very very noticeable. Radio is a lively medium. It's good for humour, though the worst thing you can do is attempt to be humorous and not succeed. It's good for making a jingle effectively known, though that's not a particularly imaginative use. Radio ads must be tailor made, for by God, it doesn't half run one ad on top of another. You've got to stand out."

Gerry Fitch, creative director at Ted Bates: "We use it very little. It doesn't offer enough coverage for the sort of mass consumer products we're into. We're not convinced that radio is yet at the right creative stage, which may be our fault as much as their's."

John Webtser, creative director at Boase Massimi: "For image-building it doesn't work as well as TV or Press, but of course it's such a good tactical weapon. I've got an open mind. It's just as possible to produce great advertising for radio as for any other medium."

And David Bernstein, whose Creative Business has produced a lot of radio work for clients like British Rail, EMI, 3M, Top Man and Debenhams: "I get the impression that it's all about to happen in radio. Trouble is I've felt like that for far longer than I'h have expected. It needs a few really big national advertisers to start beating it like a national medium. The paradox is that radio is so good as a local medium.

"The ratio of national-to-local advertising is already very high, but somehow the national advertising does not appear to be audible. For some reason radio's image is lagging two years behind reality. It is a smashing creative challenge, but it has an inferiority complex. What is lacking is a good campaign on behalf of radio. It lacks good case histories. But they will come."

What has already arrived is a further improvement in the ILR audience. Harking back to the AIRC's network survey earlier this year, TMD reminds us that the network's total potential adult audience has not improved significantly over that of 1977—the proportion of the UK population within effective range of an ILR station remains at 65 per cent—but that within the potential audience, the number of those actually listening to ILR in an average week has indeed risen from just over 13m to just over 14m from 47 per cent to 50 per cent.

In terms of individual area penetration, the most successful stations are still those on the Celtic fringe, so that the stations doing best at present are Plymouth, Swansea, Clyde and Downtown, Belfast.

In terms of what it disarmingly calls 49-spot Total Audience Packages, TMD reports that rates across the network now range from Plymouth's £368 per 49-Capital's £4,900 (+52 per cent). spot tap (+22 per cent) to

TMD has also thoughtfully estimated the audience delivery and cost-per-1,000 for two specimen packages of airtime on each station and for the network as a whole. In terms of the standard 49-spot package as per rate card (costed at the new 30-second rates effective from this autumn) the healthiest performers per cost-per-1,000 are reckoned to be Capital (31p), LBC (33p) and Downtown and BRMB (36p). The network average is 37p. Radio Victory in Portsmouth costs an estimated 68p-per-1,000.





## The Press learns to live with TV

BY ALAN GARTH

NEWSPAPERS ARE increasingly turning to television advertising in their search for readers and advertisers of their own, particularly in the UK, where TV spending by newspapers is now starting to match spending in the U.S.

This was revealed at the eighth European conference of the International Newspaper Promotion Association held in Brussels last week.

Showing a selection of TV commercials produced by British newspapers, Alwyn Robinson, managing director of the Daily Mail, said it had taken a long time for the British newspaper industry to come to terms with TV, a major competitor both for news and advertising.

However, from £1.6m in 1968, TV billings were now exceeding £5m. The Sun, said Mr. Robinson, was the biggest spender. Spending by larger regional newspapers was also increasing, accounting for £800,000 last year.

Mr. Robinson surprised his audience—particularly delegates from the staider newspapers of Europe—by showing a Sun commercial offering, among other delights, pairs of naughty knickers.

There would be nothing quite so risqué in his selection of recent U.S. commercials, said INPA's executive director, Ed Linsmier, introducing his own selection of commercials from across the Atlantic.

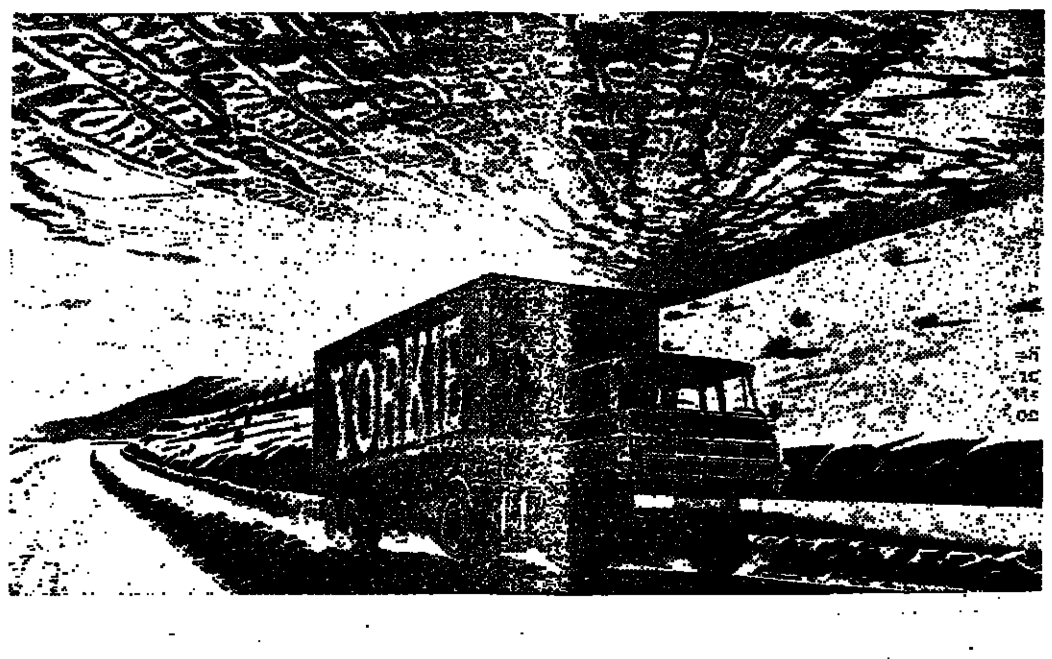
Mr. Linsmier showed that the top 15 spenders in the U.S. had upped their TV budgets from $4.1m in 1976 to $7.9m last year. The country's biggest daily, the Daily News, spent $1.5m on TV in 1977. Its closest New York rival, the New York Times, spent $1.1m.

But TV advertising did not always produce circulation increases. The Chicago Daily News, fourth largest TV advertiser in 1977, had now folded. So had the New York Tribune, which spent over $500,000 on TV in its final three months.

## Trident's high branded sales

NEW RESEARCH based on an analysis of Television Consumer Audit data for the year to May, 1978, shows that in 48 out of 64 product fields, Trident Television's share of manufacturers' branded goods sales exceeds its 17.2 per cent share of households, often by a wide margin. In 16 product categories including flour, margarine, baked beans, chocolate biscuits and toilet soap, Trident accounted for more than 20 per cent of national sales, with branded flour ranked at 25.4 per cent. According to Trident, the research explodes the myth that families in the North East and Yorkshire are less well off than families in other areas.

## Yorkie and me and Lion Bar and Prize and Texan and Splicer . . .



*At around £1.4bn, the confectionery market is both large and stable. But it offers scant room for growth, so that competition is vicious and new brands prosper only at the expense of rivals. PETER KRAUSHAR describes Rowntree's aggressively successful approach to new product development.*

THE SUCCESS of Yorkie, Rowntree Mackintosh's chunky chocolate bar, has already attracted much attention, and rightly so. It was launched at just the right time when Cadbury's had felt obliged by soaring cocoa prices to market thinner and thinner bars of chocolate, with the result that Rowntree quickly assumed 20 per cent of the bar market. What is more interesting, however, for it offers lessons for others, is Rowntree's general approach to new product development which in the past few years has led to Nutty, Texan and Prize as well as Yorkie, while Rowntree's Lion Bar, Cabana and Splicer are currently in test market and doing well.

Chocolate has been a notoriously difficult market for new products, for the products already on sale are of high quality. In addition, it is extremely competitive, with Rowntree, Cadbury and Mars fighting hard for every 1 per cent of every sector, while the consumer has proved fickle in accepting new products on a long-term basis.

Yet Nutty, Texan, Prize and Yorkie between them scored 1977 sales of £32m at RSP, and Yorkie was not even nationally available —if it had been its sales alone would have reached an estimated £30m.

Special development effort has added real overall volume to Rowntree, which estimates that in the past two or three years it has overtaken Cadbury to become the largest chocolate/sugar confectionery company in the UK. As this development has taken place at a particularly difficult time, when many other companies have complained at the lack of new opportunities, it is worth looking at what one can learn from Rowntree.

First, company commitment. At the end of the 1960s, the Rowntree Mackintosh Board decided that new product development came high on its list of priorities. The company formally committed itself to a sustained development programme covering both marketing and R and D. On the marketing side the work was tackled by a separate new product development department.

Second, long-term commitment. While hundreds of packaged goods companies may say they have also set up large development programmes, the important point about Rowntree's approach was the realisation that it was a long-term commitment and that there would be no quick results. Too often large companies despair if they do not see new launches almost immediately. How many awful failures have occurred because someone somewhere wanted something fast?

There is clearly nothing wrong with fast action in the right context, but in a market such as chocolate, where the major brands have mostly been on the market for around 40 years, there is a clear need to ensure that the launch of other important brands is not rushed.

Rowntree decided that its development effort should be a continuous one; in practice, it believes that the learning process of earlier years helped enormously with the 1977 launch of Yorkie. Too often companies change their development policies, personnel and organisation every five minutes.

Once Rowntree's long-term commitment was agreed and the necessary organisation established, it took some time for momentum to be generated, but gradually a number of projects began to emerge. Over time, Rowntree has evolved a number of basic attitudes, and these were applied to the new product operation.

One, new products need to be distinctive. Competition in the chocolate market is so vicious that margins are certainly not substantial enough to build

Two, new products must be worthwhile me-too brands.

what people like to eat—they must be good enough to provide satisfaction over many years and thus possess the potential of long-term stayers. This sounds incredibly obvious, but how many new food products have failed because they lacked this quality?

Three, a large number of new ideas is needed in order to launch a few worthwhile area tests each year. No one source of ideas has yet emerged as best.

Four, market research is useful for indicating what is worth pusuing, but it does not always reflect the true market situation and must not be taken literally.

In practice, Rowntree has sought opportunities in many different ways. Market research is carried out constantly to improve the company's feel of the various market sectors; the research and development department seeks technical ideas; the marketing department analyses gaps and holds experimental idea sessions; brainwaves are sought abroad and the company's advertising agencies are periodically asked for suggestions.

On average, 15 to 20 Rowntree concepts or products reach consumer research annually in order to produce two to three area test markets each year. Yorkie was developed via market analysis, Texan was based on a U.S. product, Prize and Lion came via R and D and Splicer was suggested by an ad agency. Once promising ideas are generated, Rowntree's usual method is to conduct group discussions to discover whether they are worth pursuing.

In the case of Yorkie, Rowntree had been looking at the solid bar market for years, as it only had a small share in it via Aero. It had conducted a great deal of research. Following a large usage and attitudes survey the company developed five different hypotheses for entering the bar market, each entailing product, name and creative policy.

Ten different names were researched, as well as different pack designs. Variations in texture, colour, flavour and chocolate type were all closely examined. Perhaps the most difficult decision concerned price, because the chunky block concept indicated a unit price of 11p compared with Cadbury Dairy Milk's 9p (for a smaller unit).

The brave decision was taken not to compromise, despite the higher price. In the event, the remarkable consumer success caught even Rowntree by surprise. What Rowntree is doing in the direction of new product development may not sound dramatically original. But its success is clearly due to a mixture of commitment, tenacity and attention to detail. It is a formula which many other companies in all kinds of markets would do well to consider.

*Peter Kraushar is chairman of Kraushar Andrews and Eassie.*

LOMBARD

# Let bankers go home

BY MICHAEL BLANDEN

THE EMPHASIS of the British banks' growth has shifted in the past few years towards the development of their international operations. Their business in the Eurocurrency markets has continued to grow: but they are now looking increasingly for expansion in the domestic markets of other countries.

At present, the most attractive seems to be the U.S., if only because the depression of the dollar and of Wall Street makes the purchase of banking businesses there look cheap. National Westminster and Barclays have this year both announced substantial acquisitions on the other side of the Atlantic. And among the traditional UK overseas banks, geared to operating retail branches abroad, Standard Chartered is also planning a major purchase in the States.

## Not alone

The British banks are not alone in this development. Leading banks from elsewhere in Europe are looking seriously at the growth possibilities in the U.S. and indeed in the UK itself. And all of these banks are only following the example of their American competitors, which long since have moved beyond the stage of following the banking requirements of their own customers in foreign markets and started to compete seriously for the business of British and continental companies in their own countries.

Two people in the City have recently, from different points of view, raised with me the question of whether all this international growth is a good thing. It is not hard to see why it appeals to the bankers themselves. The UK banks, having been left behind by their U.S. competitors in the initial thrust into international markets, have responded in kind.

They in turn have been through the process of pursuing growth through the mainly London-based Euromarkets and are now seeking to take the attack on to their competitors' home ground. It can certainly be argued that a British bank may be able to add something in the way of management and international experience to provide a special boost to an established but perhaps lethargic acquisition abroad.

One point put by a stock market analyst, however, was to ask whether these developments are really in the interests of the shareholders in the banks. For the diminishing band of small private shareholders, who have little alternative, it may be a good thing that their dividends will be able to reflect the international growth of the UK banks.

For the big institutional holders which represent the larger and growing part of the market, the advantages are less obvious. They are quite capable of making their own judgments about which market is likely to offer the best growth prospects, and of buying shares in the appropriate local institution.

If all the big banks are going to end up looking up much alike, each taking its share of the multinational business on offer and each competing in the other's home market, then the shareholders will be faced with a real diminution in their choice of investments.

The second argument was put forward by an international banker. His point was, in essence, that it was hard to believe that over the long run the banks would have to look mainly outside their own markets for real growth. In recent years, it is true, the domestic operations of the UK banks have suffered from sluggish loan demand and from the cost pressures generated by the high level of wage inflation. Their international activities have contributed a growing proportion of earnings.

This trend has not been confined to this country. The experience of banks in all the leading financial centres has been that their own business has been depressed, and they have therefore looked increasingly outside to maintain their earnings growth.

The expansion of international banking has therefore been inspired by something more than the simple need to provide a service to customers who are themselves increasingly involved in export activities and operations abroad, and look to their bankers to equal their international spread.

An important incentive has been the need to find somewhere else where the prospects of growth look more attractive than those at home. It is far from clear that it is an entirely healthy development for the leading banks of the Western world to rely for their main growth in lending activities outside their home markets; it is almost certainly unhealthy if what they are doing is to undercut each other on their own ground with no real improvement in service.

## No objection

There can be no objection to competition for banking business; and the incursion of the U.S. banks has contributed a good deal to the greater awareness of the British bankers of their customers' requirements. But unless the major industrial countries are, as some people fear, entering a period of long-term relative decline there must at some stage be a sustained recovery of domestic demand. The emphasis could then switch the other way, and the bankers who at present are anxiously treading on each other's toes may be glad to come home.

# The aftermath of financial scandal

A SERIES of actions brought in the High Court against the London headquarters of Moscow Narodny Bank and concerning the operations of its Singapore branch is now in the preparatory stage and may come to trial before the conclusion of the judicial inquiry into any "lapses from accepted standards of commercial and professional conduct or of public administration" in relation to the own-account operations of the Crown Agents.

Both the Crown Agents and the MNB will recall Polonius' precept: "Neither a borrower nor a lender be; for loan oft looses both itself and friend, and borrowing dulls the edge of husbandry."

The MNB, being in the money-lending business, will find it more difficult to abide by this precept than the Crown Agents, but both seem to have cause to regret that the latter-day Poloniuses in Whitehall and the Kremlin kept them on such a loose rein.

There are a number of striking similarities between the two financial "scandals" into which judges will now enquire. Both organisations lost money on loans which they granted during the 1968-1974 property boom to borrowers who over-extended their own financial muscle. The Crown Agents lost in this way £236m. The MNB maintains that the estimated £400m "wildly exaggerated" the losses suffered by its Singapore branch. But it admitted that the "bad and doubtful debts" were big enough to swallow the entire profits of 1976 and 1977 plus an unspecified deposit from Moscow on which interest will be paid only out of future profits of the branch.

In addition to bad debts, there are also claims for damages lodged against the MNB by its customers whose businesses collapsed after the bank suddenly recalled loans alleged to have been granted as part of long-term financing operations. Such claims, which according to Hong Kong Press reports amount to some £200m, include a claim of some £50m made in the High Court by Eddie Wong and associates, the developers of the Lantau island resort, and another substantial claim by Amos Dawe, whose Singapore Mosbert group is being wound up.

In the case of both the Crown Agents and of the MNB a senior member of the management team—but not a member of the top management—appears on first sight to be the villain of the piece. In the case of the Crown Agents, the late Mr. Bernard Wheatley, described as a "flamboyant character" and gambler, was given the sole discretion and power to grant secured and unsecured loans running into millions of pounds. Consequently, whenever the Crown Agents lost money, his hand could be seen behind the transaction, as Mr. Robert Gatehouse, QC, said when opening the proceedings for the tribunal of inquiry

### BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

earlier this week. But while Mr. Wheatley was at the time of his death facing trial on charges of corruption, no such criminal charges were made against Mr. Teo Poh Kong, until 1976 the Chinese manager of the MNB in Singapore and a key figure in the meteoric expansion of its lending.

Was Mr. Teo, also a dynamic character, using the bank, as some say, for "self-aggrandisement," or was the bank using him to make friends and gain influence in the Chinese community as part of the Soviet-Chinese gambit in South-East Asia, as Chinese Press reports suggest? Unfortunately, the High Court trials of the actions brought against the MNB are unlikely to shed much light on this intriguing question. While both the Crown Agents and the MNB are bodies controlled or supposed to be controlled, but certainly rescued, by their respective governments, only the tribunal headed by Mr. Justice Croom Johnson can investigate the shortcomings of public administration related to the operation of the Crown Agents. In the actions against MNB the High Court judges will be limited to deciding questions of contractual liability, leaving open the question whether Mr. Teo's Russian boss left him a free hand to grant loans so magnanimously because he was more interested in "high-living," as some say, or because he was told to do so from Moscow, as others seem to believe.

The shadowy borderland between business and politics is, of course, not an exclusive domain of the Soviet Union. But while sanctions-busting western oil companies and money-losing Crown Agents are subject to judicial inquiries bound to reveal any prompting addressed to them from political circles, or lack of supervision by responsible authorities, there seems to be no means of subjecting to a similar scrutiny the 312 Soviet and East European companies in the West. This is a pity, because even an enterprise by normal standards as insignificant as the Singapore branch of the MNB can reach far and wide, as the following few facts indicate.

Between 1970 and 1975, the loans and advances made by the Singapore branch of the MNB in South-East Asia reached $U.S.833m (over £400m) overtaking all Singapore banks in terms of earnings assets. The withdrawal of its loans, which began in 1975 after intervention by the Singapore Monetary Authority, caused a chain of failures, closures or forced takeovers among its customers, including not only the already mentioned Mosbert group and the Lantau island development, but also the old-established Cockpit Hotel in Singapore, the Yah Swee Hong Company, Malaysia Mechanical Pte, Sunshine Securities and a large textile mill.

The High Court actions by Dawe and Eddie Wong will further throw light on the planned acquisition of a group of domestic banks in California. Dawe claims that the acquisition was recommended in mid-1974 by Mr. Teo, the MNB manager, as being in the interest of both the Mosbert group and of the MNB. To avoid infringement of the rules of the Singapore Monetary Authority, neither Mosbert nor the MNB were to be seen as directly involved.

Accordingly, the Peninsula National Bank of Bulingame was acquired not by Mosbert but by Amos Dawe, and the purchase was not financed by the MNB directly but through the Pacific Atlantic Bank, the chairman of which was Eddie Wong. In 1975, Dawe acquired three more banks in California but later in that year the MNB imposed new conditions when asked to renew the confirmation of letters of credit backing these transactions. Subsequently the MNB withdrew its financial support of the American project altogether. The High Court has now been asked to say whether Dawe was left with the American hot potato "arbitrarily and without reasonable notice."

# Remezzo can profit from switching races at Ayr

### RACING

BY DOMINIC WIGAN

CLIVE BRITTAIN sidestepped the Doonside Cup with Remezzo yesterday to wait for today's 11 furlongs Ladbrokes Ayrshire Handicap. I hope that the switch will pay off.

The four-year-old Remezzo, who appeared to be raced out of his depth several times last season, has proved himself a smart handicapper recently, and although he has a tough task with 9 stone 7 lb over a distance probably just short of his best, I shall be surprised if he does not take a great deal of beating.

For anyone thinking of risking a few forecast tickets, St. Briavels, from the Newmarket stable of Gavin Pritchard-Gordon, is another who seems sure to be in the shake-up.

Earlier in the afternoon, Remezzo's jockey, Edward Hide, seen at his best on stablemate Julio Mariner in the St. Leger, might take a hand in the finish to the Shaw Memorial Handicap and the Harry Rosebery Challenge Trophy.

His mount in the handicap, The Sandford (another Brittain runner), may just find conceding more than two stones to Mrs. Trotter beyond him; but I hope that the consistent Touch Boy can land Hide the Harry Rosebery, in which Pessu cannot be overlooked in spite of the steadier of 9 stone 5 lb.

Those who saw Sioux Blessed run a highly encouraging second to Espuma on her debut at the last meeting here are unlikely to oppose Chris Thornton's So Blessed filly in the seven furlongs Troon Stakes. However, Jimmy Bleasdale's mount has much more to do this time, and one whom I would rather chance is the Habitat filly, House Maid. This bay is a daughter of Memsie, a half-sister to the Kentucky Derby and Preakness runner-up, Dapper Dan.

Lester Piggott, absent from British racing for several days, first because of a stomach upset, then through commitments in France and Ireland, makes the short trip from his Newmarket home to Yarmouth this afternoon. There his mounts include three strongly fancied runners from Luca Cumani's stable, Spring In The Air, Do Be Daring and Ellidiana.

All three might oblige, although I doubt if the course and distance winner, Ellidiana, will have much, if anything, in hand of Harry Wragg's Oula-Ka Fu-Fu at the end of the Yare Stakes.

Although stable jockey Brian Taylor gave Jellaby anything but a smooth ride, that tremendously game five-year-old made light of his task in yesterday's Ayr feature, the Doonside Cup. Jellaby, brought to the outside of the field after being cut off at the bend on the far end of the course, galloped on far too strongly for market rival Malecite, with Taylor continuously looking over his shoulder for non-existent dangers.

**AYR**
2.00—Mrs. Trotter
2.35—Touch Boy
3.05—Remezzo
3.35—North Page
4.05—Hills Treble
4.35—House Maid

**YARMOUTH**
2.15—Spring In The Air***
3.15—Top Call*
3.45—Thorganby Balashka
4.15—Do Be Daring**
4.45—Ellidiana

# TV/Radio

† Indicates programme in black and white

## BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.20 For Schools, Colleges. 10.45 On the Move. 11.00 For Schools, Colleges. 11.20 Golf: The Hennessy Cognac Cup: Great Britain and Ireland v. Europe. 12.45 pm News. 1.00 Pebble Mill. 1.45 Mister Men. 2.00 You and Me. 2.14 For Schools, Colleges. 3.00 Golf: Hennessy Cognac Cup. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Pink Panther (cartoon). 4.40 Rentaghost. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
8.00 The Good Life.
8.30 Mastermind.
9.00 News.
9.25 Most Wanted.
10.15 Big Band Special.
11.05 Tonight.
11.45 Weather, Regional News.

All Regions as BBC-1 except at the following times:—

Wales—2.14-2.34 pm I Ysgolion. Hwnt Ac Yma: Sain (1). 5.55-6.20 Wales Today. 6.55-7.20 Heddiw. 11.45 News and Weather for Wales.

Scotland—9.41-10.01 and 11.30-11.50 am For Schools. 11.50 Join BBC-1 (Golf). 5.55-6.20 pm Reporting Scotland. 11.45 News and Weather for Scotland.

Northern Ireland—11.30-11.50 am For Schools (Ulster in Focus). 11.50 Join BBC-1 (Golf). 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.45 News and Weather for Northern Ireland.

England — 5.55-6.20 pm Look East (Norwich): Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

## BBC 2

6.40-7.55 am Open University.
11.00 Play School (As BBC-1 3.55 pm).
2.00 and 3.55 pm Golf: The Hennessy Cognac Cup.
4.55 Open University.
7.00 News on 2 Headlines.
7.05 The British Connection?
7.30 News on 2.
7.35 Expert Opinion.
8.00 When the Boat Comes In.
8.50 Terence Judd plays music by Liszt.
†9.00 Films of the 40s: "Fame Is the Spur," starring Michael Redgrave and Rosamund John.
10.50 Golf: Hennessy Cognac Cup highlights.
11.35 Late News on 2.
11.50 Closedown (Reading).

## LONDON

9.30 am Schools Programmes. 12.00 Little Blue. 12.10 pm Stepping Stones. 12.30 Doctor! 1.00 News plus FT index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon. 2.25 Racing from Ayr. 3.50 The Sullivans. 4.20 Children's Film Matinee: "Sierra."

5.45 News.
6.00 Thames at 6.
6.35 Crossroads.
7.00 The Six Million Dollar Man.
8.00 George and Mildred.
8.30 TV Eye.
9.00 The Sweeney.
10.00 News.
10.30 "The Red Badge of Courage."
11.55 What the Papers Say.
12.15 am Close: A poem by John Donne read by Derrick Gilbert.

All IBA Regions as London except at the following times:—

## ANGLIA

1.25 pm Anglia News. 2.00 Women Only. 4.20 Lassie. 4.45 The Flintstones. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 10.30 ... 11.00 TV Movie: "Dying Room Only," starring Cloris Leachman. 12.25 am The Living Word.

## ATV

1.20 pm ATV Newsdesk. 3.50 Comedy Break. 4.20 The Flintstones. 4.45 Three for the Road. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 England Their England. 10.30 Gardening Today. 11.00 Movie Premiere: "Death Stalk," starring Vince Edwards.

## BORDER

†1.20 pm Border News. 4.20 Thursday Film: "Revolt at Fort Laramie." 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 Father Dear Father. 10.30 Jazz Concert: Ronnie Scott's Quintet. 11.00 Chopper Squad. 11.55 Border News Summary.

## CHANNEL

1.18 am Channel Lunchtime News and What's On Where. 4.20 The Little House on the Prairie. 5.15 Gambit. 6.00 Channel News. 6.10 Lassie. 7.00 George and Mildred. 7.30 The Incredible Hulk. 10.28 Channel Late News. 10.32 The Andy Williams Show. 11.00 Movie Premiere: "The Deadly Tide." 12.45 am News and Weather in French.

## GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 4.20 The Little House on the Prairie. 5.15 Gambit. 6.00 Grampian Today. 7.00 The Bionic Woman. 10.30 Reflections. 10.35 Sportscall. 11.15 Grampian Late Night Headlines. 11.20 The Practice.

## GRANADA

1.20 pm This Is Your Right. 4.20 Code R. 5.10 What's New. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 Charlie's Angels. 10.30 What's On. 11.00 What the Papers Say. 11.20 Barnaby Jones.

## HTV

Report Wales Headlines. 2.00 Women Only. 4.20 Take a Bow. 4.45 The Flintstones. 5.15 Job-line Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Happy Days. 7.00 Charlie's Angels. 10.35 The Golden Harp Television Awards 1978. 11.05 The Thursday Film: "McCoy: Double Take."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20 Miri Mawr. 4.35-4.45 Wsmhethma. 5.15-5.20 Cartoontime. 6.00-6.15 Y Dydd. 6.30-7.00 Sports Arena. 11.05 We've Always Done It This Way, Haven't We! 12.05-12.35 am Get Some In.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Sport West.

## SCOTTISH

1.25 pm News and Road Report. 2.00 Women Only. 4.20 Tarzan. 5.15 Batfink. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 Laverne and Shirley. 7.30 The Rag Trade. 10.30 Law Centre. 11.30 Late Call. 11.35 Canadian Celebrity Concerts—Paul Williams.

## SOUTHERN

1.20 pm Southern News. 2.00 Women Only. 4.20 Lassie. 4.45 Beachcombers. 5.15 The Undersea Adventures of Captain Nemo. 5.20 Crossroads. 6.00 Day By Day. 6.30 Survival. 7.00 Emmerdale Farm. 7.30 England, Their England. 10.30 The Electric Theatre Show. 11.00 Southern News Extra. 11.10 Quincy. 12.10 am What the Papers Say Special.

## TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 2.00 Women Only. 4.20 The Little House on the Prairie. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Laverne and Shirley. 10.30 Sounds of Britain: "Teesside." 11.00 Pro-Celebrity Snooker. 11.45 Epilogue.

## ULSTER

1.20 pm Lunchtime. 4.18 Ulster News Headlines. 4.20 Take a Bow. 4.45 Lassie. 5.15 Cartoon. 5.20 Crossroads. 6.00 Reports. 6.25 Police Six. 6.35 Happy Days. 7.00 Emmerdale Farm. 7.30 England Their England. 10.30 Counterpoint. 11.00 The Practice. 11.25 Bedtime.

## WESTWARD

12.27 pm Gus Honeybun's Birthday. 1.20 Westward News Headlines. 4.20 The Little House on the Prairie. 5.15 Gambit. 6.00 Westward Diary. 7.00 George and Mildred. 7.30 The Incredible Hulk. 10.28 Westward Late News. 10.30 The Andy Williams Show. 11.00 Movie Premiere: "The Deadly Tide," starring Steve Forrest. 12.45 am Faith for Life.

## YORKSHIRE

1.20 pm Calendar News. 4.20 Jabberjaw. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Father Dear Father. 10.30 The Love Boat. 11.30 In Concert starring Cado Belle.

## RADIO 1 — 247m

(S) Stereophonic broadcast
† Medium Wave

5.00 am As Radio 2. 7.02 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Peter Powell. 4.31 Kid Jensen. 7.30 Country Club (S) (joins Radio 2). 10.02 John Peel (S). 12.00-2.02 am As Radio 2.

## RADIO 2 — 1,500m and VHF

5.00 am News Summary. 5.02 Tony Brandon (S) including 6.15 Pause for Thought. 7.32 Ray Moore (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S) including 1.45 Sports Desk. 2.30 David Hamilton (S) including Racing from Ayr and 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk and 6.02 Cross-Channel Motoring Information. 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 The 78 Show. 10.30 Star Sound Extra. 11.02 Brian Matthew introduces Round Midnight, including 12.00 News. 2.00-2.02 am News Summary.

## RADIO 3 — 464m, Stereo & VHF

†6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composers: Albeniz and Granados (S). 9.55 Second Broadcast (S). 10.45 York University Chamber Concert, part 1 (S). 11.30 Interval Reading. 11.35 Concert, part 2. 12.10 pm Lunchtime Prom, part 1 (S). 1.00 News. 1.05 Lunchtime Prom, part 2 (S). 1.50 Leeds International Piano Competition 1978 (S). 2.50 Berlin Festival 1977 Concert, part 1 (S). 3.30 Words ... (talk). 3.35 Berlin Festival 1977, part 2 (S). 4.15 Handel's Opus 1 (S). 5.00 Youth Orchestras of the World (S). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Lifelines: The Wider World. 7.30 Bach's Musical Offering (S). 8.00 Mahler's Third Symphony (S). 9.50 Drama Now (S). 10.50 Hindemith piano recital (S). 11.45 News. 11.50-11.55 Tonight's Schubert Song (S).

Radio 3 VHF only—6.00-7.00 am and 5.45-7.30 Open University.

## RADIO 4

434m, 330m, 285m and VHF

6.00 am News Briefing. 6.10 Farming Today. 6.30 Today: Magazine, including 6.45 Prayer for the Day. 7.00 and 8.00 Today's News. 7.30 and 8.30 News Headlines. 7.45 Thought for the Day. 8.45 A High Wind in Jamaica. 9.00 News. 9.05 There You Have Loved. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Down Your Way visits Tiptree, Essex. 11.45 A Catholic Girlhood. Mary O'Malley remembers her childhood. 12.00 News. 12.02 pm You and Yours. 12.27 I'm Sorry I Haven't a Clue (S). 12.55 Weather; programme news. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Jack de Manio Precisely. 4.35 Story Time. 5.00 PM Reports. 5.40 Serendipity. 5.55 Weather; programme news. 6.00 News. 6.30 Top of the Form. 7.00 News. 7.05 The Archers. 7.20 Checkpoint. 7.45 A Pilgrim's Tale (S). 8.30 The Five Senses. 8.45 Analysis. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Any Answers? 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 News.

## BBC Radio London

206m and 94.9 VHF

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Soul 78. 10.03 Late Night London. 12.00 Close: As Radio 2.

## London Broadcasting

261m and 97.3 VHF

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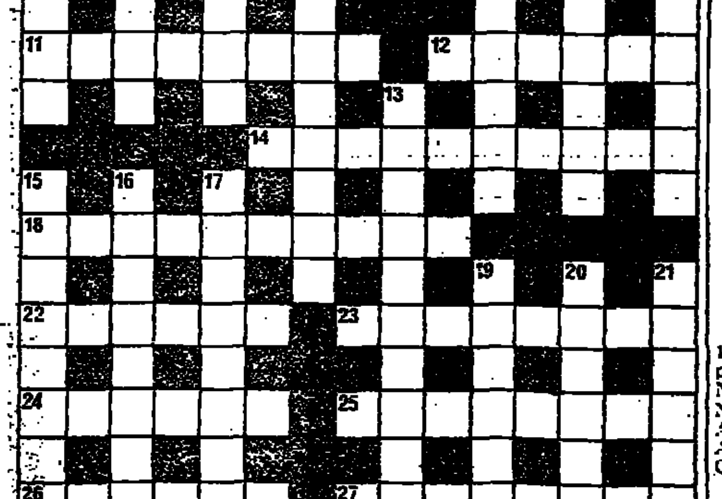
6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 Lord George-Brown Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

## F.T. CROSSWORD PUZZLE No. 3,776



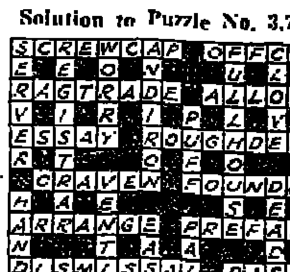
ACROSS

1 Obscure area of development (4-4)
5 Old man is the foreman (6)
9 Ten per cent seen as 7 (3, 5)
10 Hold back the sailor involved with a Russian (6)
11 Puts into effect, shrewd in costs (8)
12 Struggle in Sussex (6)
14 Forensic address offers opponent the first shot of course (4, 6)
18 An uncomfortable situation comes as a shock in the States (3, 3, 4)
22 "Heaven lay not my transgression to my ——" (King John) (6)
23 Venomous principle in a card game (8)
24 Author finds abstainer in Scotland's chief herald (6)
25 Get plan G arranged for the aubergine (3-5)
26 At anchor in part of Yorkshire (6)
27 A job in beer for the twelve (8)

DOWN

1 The medical practitioners about one are idlers (6)
2 Make allusion about oriental jacket (6)
3 In the chamber he sustains a monkey (6)
4 How to raise a mortgage at no cost to oneself (2, 3, 5)
6 But German river has a place in Wales (8)
7 Just a bit vulgar possibly (8)
8 Blood-coloured fruit suitable for Communist headwear by the sound of it (3, 5)
13 Disruption popular with the schoolboy (8, 2)
15 Old Bob sets a puzzle for one who insists on trifles (8)
16 Some indeed are no longer with us (8)
17 Silver set on gold (4, 4)
19 Disturbance for the remnant with us (6)
20 "Merely corroborative —— intended to give artistic verisimilitude" (Gilbert) (6)
21 Declares conditions in America (6)

Solution to Puzzle No. 3,775



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**Record Review**

# Profit, politics and pain

by ANTONY THORNCROFT

**Grease:** RSO 2001.
**Power in the Darkness:** Tom Robinson Band: TC-EMC 3226
**Leo Sayer:** Leo Sayer: Chrysalis CDL 1198
**Back in the USA:** Linda Ronstadt: Asylum K53065

The *Grease* phenomenon, which must have turned over more cash than the Gross National Product of many a United Nation, already seems like last week's disposable newsprint, but the music will not go away quite so easily. Having spawned three hit singles, the double album recording of the film is still bulldozing its way up the British charts; in the U.S. it has established squatters' rights at the top.

Like the equally successful *Saturday Night Fever* from the same stud the record is a pale imitation of the film, which was unnecessarily mauled by the more stiff-limbed of the cinema critics. The film's strength was its naiveity, its comic book colours and cartoon cut-outs: the album is much more pretentious, much more of a marketing package. This is obvious in the sacrifice of the narrative line on the album, which presents all the goodies, hits past, present and to come, on side one. So the musical climax *You're the one that I want* follows hard on the early boy meets girl romantic duet *Summer Nights*. No one in the classical department would dare suggest putting Mimi's death duet at the beginning of La Boheme to hook the casual listener.

Then again the use of 1950s standards, perfectly parodied as always by Sha-Na-Na, are strung together on side three, creating an element of over-kill. The best thing about *Grease* is the original music from the over-looked stage musical which was a success in the U.S. but flopped in London, probably because there was not much fifties nostalgia around five years ago. Its creators, Jim Jacobs and Warren Casey, put together some subtle lyrics, and tunes which were much closer to the simple melodic line of the 1950s than the later additions. *Look at Me, I'm Sandra Dee*, effectively sung by the film "heavy" Stockard Channing, makes an impression on flat vinyl, as does *There Are Worse Things I Could Do* and *It's Raining on Prom Night*. All three songs take an affectionate look at the period while the added tracks, like the film itself, are a 1978 gloss, a vehicle for the superstar, John Travolta. It is sometimes difficult to distinguish his voice on record from that of Olivia Newton-John, just as in the film it is hard to avoid him but harder to notice her. It is this odd mixture of innocence and commercial acumen which makes *Grease* both an interesting film and almost an interesting record. As a permanent relic of one of the biggest money making ventures in entertainment history it is a useful investment.

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There could hardly be a bigger musical contrast than *Power in the Darkness*, the first album from the Tom Robinson Band, which has been creeping up on me for some months now. Here we are up to date and more—one track, the most ominous, is called *Winter of '79*. Tom Robinson is provocatively Left-wing, but whereas a musical version of Socialist Worker would be ludicrous his lyrics have a punch and an immediacy which demand respect. He writes of the disaffected young unemployed and the coming battles with the Law and the National Front. It is the first effective Socialist musical propaganda, partly because it is so well played, partly because Tom Robinson is intelligibly coherent, and partly because the words have an insidious sing-along quality: it becomes very easy to chorus these revolutionary slogans. In fact, the whole thing is so well done that there must be a good business brain at work. Songs like *Up against the wall; Too good to be true;* and *Long hot summer* are too good to be sacrificed for a cause.

Leo Sayer

*

From the very political to the very personal: there is an excellent new album from Leo Sayer. Fame and fortune in the U.S. do not seem to have made Sayer much happier, judging by this latest collection of songs which tend to be either sad or very sad. Often he sounds like he is singing his way out of a deep depression but that could just be the skills of producer Richard Perry. It is superbly recorded melancholy, the first side starting with a really good Sayer song, *Stormy weather*, and ending with the rather boring *Raining in my heart*. Even the up tempo *La Booga Rooga*, the Fairweather-Low classic, is about up tempo mania. But this is a very addictive album, probably Leo Sayer's finest. There is hardly a weak song, either from Sayer or by such stalwarts as Jackson Browne and Billy Nichols. It is also good to have the lyrics enclosed, and odd how words that look incoherent and banal on paper can be so emotively transformed in music.

*

Where Leo Sayer is all feeling, Linda Ronstadt gets through with style. A strong voice and a pretty face are her chief assets, plus an ability to gather interesting material and top class West Coast musicians. *Living in the USA* is almost perversely eclectic, moving from the Chuck Berry title song straight on to the Oscar Hammerstein - Sigmund Romberg *When I grow too old to dream*, which is a bizarre idea that does not work. Other interpretations are more successful, especially Elvis Costello's *Alison* and J. D. Souther's *White rhythm and blues*. Linda Ronstadt is always intriguing, always producing records which improve on their immediate superficiality. You would have to be very broadminded to like it all, and extremely mean spirited to enjoy none of the latest.

**Borden School, Sittingbourne**

# The Master of Ashmore

With commendable enterprise, Borden School is celebrating the centenary of its foundation with a full-length opera commissioned for the occasion. *The Master of Ashmore*, composed and conducted by Leslie Olive, in charge of the school's music department, written and produced by Jon Adams, head of drama at Borden, is set in Tudor England, but points a moral appropriate to the present festivities: that Education is a Good Thing.

The school master at Ashmore has died. A young man, just down from Oxford, conveniently turns up and applies for the vacant position. He falls in love with the daughter of the Lord of the Manor, but the said Lord, whose wife died in giving birth to a son and heir — the child also perished — cannot abide the sight of boys, and closes down the school, consigning his daughter to a convent. During the fracas, a boy is killed, the noble lord relents and all ends happily.

Naturally the piece is constructed to give as many children as possible the opportunity to take part. There are seven solo roles, five of them double cast, and large choruses of Nuns and Wenches — the girls are from Highsted School — Burghers, Peasants and Schoolboys. Leslie Olive composes in a traditional idiom that would not have shocked anyone at the time of the school's foundation, but which is a slight shock today. He uses easily recognisable musical themes for his main characters and is sometimes over-enthusiastic in their development, so that the texture becomes too thick. Also, the heavy burden of part-copying, about which he complains in the programme, could well have been lightened by sparser, more austere scoring. As it is the orchestra sometimes swamps the voices.

If the composer is inclined to linger—the three acts last 3½ hours—the librettist employs short, abrupt verses that only sound strained when they pay lip service to period speech. The production, attractively designed by Alan Rawlinson, is adept in the movement of large forces on and off the small stage of the school hall. The choruses, which contain much of the best music, are well rehearsed and sung with evident relish by the 100 or so young persons involved. As the Earl of Ashmore, Robert Dammers—an ex-pupil—makes an authoritative heavy father. Michael Hampshire plays Richard, the young schoolmaster, with humour and conviction. Elizabeth Rainer is a sweet-voiced Lady Anne, while Stephen Langdon as Davey, the boy who is killed, gives an example to his seniors in clarity of diction.

ELIZABETH FORBES

**Zante festival**

# Pub theatre in the Ionian Sea

by LISA WOOD

At first glance there seemed a discrepancy between the title of the festival and its venue.

For the 5th International Congress of Medieval and Popular Theatre, organised under the auspices of the Greek Ministry of Culture and Science, was held for one week, earlier this month, on a southern Ionian island, called Zakynthos, most notable in recent years for a disasterous earthquake in 1953 which destroyed most of its Venetian architectural heritage. The island appears remote from the more conspicuous international cultural centres of Athens, Delphi and Mycenae.

European theatre companies, including two from England and the Cuadra Theatre of Seville, Spain, were performing before what appeared to be a predominantly native audience, whose chief sources of commercial entertainment are two open air cinemas, most renowned for their [illegible] and soft porn' movies.

Certainly this was no Edinburgh Theatre Festival, with performers demonstrating their skills before an international band of critics and theatre buffs. In Zakynthos many of the performers were islanders—and the event was primarily organised for the people of the island.

Incubus Theatre Company with the 'De La Zouche Follies of 1378'

The history and philosophy of the festival are unique. Thirteen years ago a group of Greek intellectuals and writers visited the island to study its particular theatre form. The plays, called omilies, were at that time only occasionally performed at carnivals and had died, as an expression of fresh ideas, some 30 years earlier. The study group, in its first visits to the island, instigated the extra performances for their own benefit. As one islander commented: "In order to help them think."

Today the omilies form the centrepiece of the highly original annual festival which only suffered interruption during the time of the Colonels. The organisers—the 150-strong Association of the International Congress, part financed by the Ministry of Culture, the Greek Tourist Board and private donations—have no plans to flood the island with foreign tourists during the festival.

Rather, the idea is to bring new ideas, through the performing of foreign productions, to the native omilie and bring new live theatre to the population of 48,000, many of whom still live in isolated villages, physically and culturally isolated by the mountaineous terrain from Zante, the main town.

Zante itself is a fairly popular resort with Greek holidaymakers and its new-found prosperity is based upon tourism. The island, sitting in the Ionian Sea, is reached either by air or by a seven hours boat and coach journey from Athens. The main harbour is breathtaking — a gentle curve of wharves, peopled by local fishermen and excited children awaiting the ferries.

There is still much speculation about how the omilies started in Zakynthos for the island has a curious cultural background. It was never under Ottoman rule and for 200 years was under Venetian domination: there was strong Italian influence during the time of the Renaissance. It was for centuries a haven for refugees, many of them artists and writers, and the omilies may have started some 400 years ago after the arrival of Cretan refugees. In the names and ways of playing there seems a distinct influence of Cretan theatre.

The plays are masked, performed only by men and there is little attempt at realism, the main emphasis being on the spoken word which on the island comes over as a long high pitched drawl or whine. As in most traditional popular theatre, such as the Kabuki of Japan, the audience, knowing the set pieces well, feels free to roam and chat during the performance. The emphasis is on the event, rather than the quality of the production.

Earlier this century there were several omilies performed throughout the island and new ones were still being written. But today there is little new writing. George Minotus, secretary of the association, an Athens architect at present designing a theatre on the mainland, said that the aim of the association in bringing foreign companies to the island was to try and recreate similar conditions as when the refugees came, bringing their plays and giving inspiration to the islanders.

This admirable aim could appear self-conscious and the organisers admit that they could be seen as outsiders and interlopers, cashing in on a lost tradition in a rather folksy way.

But whatever the criticisms of the motives for the festivals they have been a success with the people of Zakynthos. One of the English companies, Incubus, a touring company of five actors, took its pub show, a ribald medieval comedy, to a small village in the mountains. They were met by rows of gawping ten year-olds, all keen to demonstrate their facility in carrying props.

Few in the village spoke English, even fewer had ever watched live theatre of this kind. In a small field at the foot of the church a rough stage had been erected by the villagers, and as the time of the performance drew near the audience arrived bringing its own chairs.

The language problem proved irrelevant. Howls of laughter erupted when the beggar bigamist was harangued by his three grotesque wives and an English lord flashed his outsized cod piece while rallying a peasant army for a crusade to the Holy Land. The internationalism of visual and situation humour prevailed. It was evident from the response of the audience that they were grateful that a theatre company had come from England to perform.

Incubus also gave the townsfolk of Zante something to remember when the same pub show, which included a highly irreligious performance by a show biz pope, was played in a floodlit churchyard. But as one Greek said: "If people are shocked it gives them something new to discuss. It is the contact which is important." A handful left during the performance. The rest jostled at the end to meet the exotically clad actors.

On the same stage was performed an omilie called "Faithful Daphne" which originated in the 18th century but was only written down in 1956. Performed by boys, one a little shy in his feminine garb, from the secondary school in Zante, it told of a mercenary father sending his only son away on businesss much to his daughter-in-law's despair. On the route the son is captured by robbers who demand a ransom. The father refuses to pay. But the wife, racked by grief, sells all her few possessions to rescue her husband. The couple then flee to a new home, safe from the influence of the old man. A simple tale, performed by amateurs, seen many times previously by the majority of the audience, but again applauded.

The organisers are reticent to discuss the question: "What is popular theatre?" George Minotus rhetorically replied: "Is it identified by large queues outside a theatre? Is it that which is non-exclusive, accessible to the majority but not that which we are given in the so-called popular commercial theatre?"

Next year the question will be posed at a series of discussions on the island during the festival. Minotus said that those who wished to do so could discuss the matter; what was important was that the plays were performed and the islanders enjoyed them. This year's festival needed no intellectual discussion to make it popular.

**Everyman, Cheltenham**

# Confidential Clerk

by B. A. YOUNG

Having business in Cheltenham on Tuesday, I got myself invited to the dress rehearsal of T. S. Eliot's *The Confidential Clerk*, which opened there last night. It will run until October 7 and is planned to correspond with the Cheltenham Festival of Literature at the beginning of next month.

This must be the least performed, and the least poetical, of Eliot's dramatic works, and the truth is, it is not a very good play. Its theme is expressed by the financier Sir Claude Mulhammer (Norman Henry) when he speaks of "accepting the terms that life imposes on you, even to the point of accepting make-believe," and it is illustrated in a tale of three illegitimate children and their desires to follow, or not follow, in their parents' footsteps.

Sir Claude has a bastard daughter, Lucasta (Marian McLoughlin), and claims a bastard son as well, Colby (Anthony Head). But his wife, Lady Elizabeth (Peggy Thorpe-Bates) also claims the son; and in a denouement with comic reminders of Figaro he turns out to be someone else's son altogether. There is no way in which this scene can avoid its funny overtones, though the Cheltenham company, under Malcolm Farquhar's direction, play it as seriously as they can.

The eponymous clerk—we should call him a PA these days —is the young man Colby, a deeply proper person as Mr. Head plays him in his striped trousers, but with a secret desire to become a church organist and, we are unexpectedly told in the last two minutes, a feeling for the Church. (God plays little part in this play by Eliot's standards.) He is succeeding a previous PA, Eggerson, whom Eliot and Brian Oulton have made both an archetypal sycophant and a wielder of power behind the scenes.

But though it is Eggerson who finds an organist's vacancy for Colby when the problems of paternity have been cleared up, it is the mysterious Mrs. Guzzard (Audrey Noble), Colby's foster-mother, who characteristically takes charge of everyone's problems in the last act, assuring them that they "have all had their wishes one way and another." They are easily satisfied: Lady Elizabeth's son proves to be Sir Claude's junior partner Kaghan, whom a moment before she had thought impossibly vulgar, but for whom Gregory Cox now drops his vulgar accent and instantly begins to speak in the middle-class Eliotese of the rest.

I can hardly believe that Eliot did not mean this play to be a light comedy. Perhaps when the laughs come — as they must — the comedy will be brought more to the front. But in any guise it is worth having a look at, even if only as a literary curiousity.

**Book Reviews appear on Page 12**

**Festival Hall**

# Ahronovitch

by RONALD CRICHTON

Chaikovsky's *Francesca da Rimini* and Fourth Symphony played by the London Symphony Orchestra under Yuri Ahronovitch might be expected to bring in the crowds even in September —uneasy month between summer music-making and winter season proper. That the hall was not full on Tuesday was, one must suppose, due to the inclusion in the programme of one short unfamiliar work where normally the concerto would be. The intruder was a duet for soprano and tenor from *Romeo and Juliet*. "For" would perhaps be more exact: the scene was written in later life for an opera Chaikovsky began but abandoned, took up again but once more left unfinished.

The interesting thing about the piece is that it uses material from the familiar fantasy-overture on the same subject written some years earlier. Some of the music, including the squeeze-box accompaniment figure and the big love theme, is heard in new contexts and sometimes new, but very Chaikovskyan scoring supplied by Taneiev, who after Chaikovsky's death brought the fragment into performable state. Tuesday's singers, the American Marcia Liebman and Cuban Carlos Montane, went to it with a will though neither easily topped the orchestra and their timbres were not well matched.

There was no lack of suitable timbre from the LSO. Whatever one may think of other aspects of Mr. Ahronovitch's conducting, he is a master of Chaikovskyan sound, of the art of blending distinct colours not by playing them down but playing them up and binding them into a firm rhythmic ensemble. The opening of *Francesca* was immediately arresting in the menacing colour conductor and orchestra brought to the high, hollow brass chords. All the opening section was gripping (played merely noisily the work easily turns melodramatic). Later some doubts crept in: the love music, section by section, was splendidly phrased, yet the narrative thread seemed to have snapped and the full excitement of the opening never came again.

Something of the kind happened with the Fourth Symphony as well. The first movement was eloquent and impressive in spite of contrasting tempi emphasised to the utmost—what saved the movement from disintegration was the conductor's strong rhythmic sense. Though he clearly has definite views about this symphony he expresses them first and foremast in physical terms. The inner movements were given greater relative weight than usual by means of pauses and emphasis on new rhythms for instance the oboe tune when the woodwind succeed plucked strings in the scherzo. The price to be paid for too many thrills too soon was discovered in the finale, which made surprisingly little impact considering the brilliance of the playing. All the same, nothing could have been less like a routine Chaikovsky concert.

## Opera for All in 30th season

In its 30th season of touring, Opera for All, presented for the Arts Council by the London Opera Centre, will perform Verdi's *La Traviata*, Auber's *Fra Diavolo*, and Rossini's *The Barber of Seville*. There will be 67 performances in 62 venues in England and Wales between October and March.

The tour opens on October 4 with a performance of *La Traviata*, directed by Tom Hawkes and designed by Steven Gregory, at the Town Hall, Loughborough. *Fra Diavolo*, produced by Brenda Stanley and designed by Mark Haddon, opens at the Southport Arts Centre on October 11.

Last season's production of *The Barber of Seville*, produced by Wilfred Judd and designed by Mark Haddon, will join the tour on January 18 when it will be presented at Broxbourne, Hertfordshire.

# FINANCIAL TIMES

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Thursday September 21 1978


# Back into the laager

SOUTH AFRICA'S decision to reject the UN plan for Namibia and the simultaneous announcement of Mr. Vorster's retirement as Prime Minister are events with the most serious and disturbing implications for South Africa itself, for Namibia and for the whole of Southern Africa.

In deciding to press ahead unilaterally with elections in Namibia, South Africa is turning its back on 18 months of the most painstaking diplomacy by the U.S., Britain, France, Canada and West Germany. These countries, helped by the "front line" states of black Africa, had seemed on the verge of bringing about an internationally acceptable settlement in Namibia. They had narrowed the once huge gulf between South Africa and Swapo, the nationalist movement fighting a war in Namibia, to the point where the UN was preparing to despatch a peacekeeping force to the territory to oversee pre-independence elections.

### Repercussions

South Africa now seems to have wrecked what had been shaping up as a much-needed triumph for Western diplomacy in Africa. Evidently, the South Africans are blind to the repercussions far beyond their own borders. Yesterday's announcement is bound to intensify pressures at the UN for sanctions against South Africa. It is likely to increase Swapo's low-intensity guerrilla warfare in Namibia and could provide a fresh theatre for Soviet and Cuban activity.

The hope had been that a Namibia settlement would act as a general stabilising force throughout Southern and Central Africa and would also also improve the outlook for Rhodesia. Now, the belief of many black leaders that the white South is not be trusted and that warfare is the only effective means of liberation will be reinforced.

Mr. Vorster argues that South Africa has acted unilaterally because the UN plan would have unduly delayed the independence process. This is a lame excuse—whereas Pretoria now aims to hold elections in November, UN would have done so a mere five months later. The real reason for South Africa's decision has to be sought elsewhere. Either the Government has all along adopted a cynical approach to the Western initiative, expecting it to collapse, or else there has been a swing towards a much more hard-line position within the South African Cabinet in the past few weeks, produced at least in part by the succession battle.

Just how much South Africa is moving to the right will not become clear until a successor to Mr. Vorster has been elected by the caucus of the ruling National Party later this month. But the Namibian volte-face is not an encouraging sign. It is a curious end to Mr. Vorster's term of office, for in going so far with Namibia negotiations, in his ill-fated efforts at "detente" with black Africa and in his quiet pressure on Rhodesia, the Prime Minister had sought an accommodation with the outside world.

That he failed to achieve this is due essentially to his domestic policies. In South African terms, Mr. Vorster was a pragmatist. Yet the superficial changes in the face of apartheid were coupled with harsh political repression and he refused to budge from the central tenets of Government policy, which condemned blacks to being citizens of under-developed tribal backwaters.

### Homelands

Much had been made recently of Mr. Vorster's scheme for a new constitution, which would have given separate but equal parliamentary representation to white, people of mixed blood and to Asians. But this would still exclude Africans, whose political future would have to lie in their tribal "homelands" — and Mr. Vorster has pressed ahead steadily with implementation of the homelands policy. The Prime Minister may have tried to make apartheid more palatable, but he did not change it fundamentally.

With his departure, South Africa appears to be retreating even more deeply into a defensive laager beyond which the threat of explosive violence is constantly growing.

# Redeployment in steel

IN FRANCE, as in the UK, the crisis in steel has reached the point where drastic action is required. The measures announced in Paris yesterday represent an attempt to tackle, not just the consequences of the world steel recession, but structural weaknesses which have been apparent for some years. Although productivity is not as low as in Britain, too many obsolete plants have been kept alive for social reasons and the industry is over-manned. The principal companies are heavily burdened with debt. The Government's programme provides for a financial restructuring of the companies, a substantial reduction in the labour force and changes in management.

### Intervention

To some extent the problems of French steel—the parallels with the UK are obvious—stem from past Government policies. Price controls have prevented the companies from earning good profits in times of buoyant demand. At the same time they have been under political pressure to maintain jobs in areas which depend on steel as the main employer. The Government is now trying to repair the damage caused by past intervention and to put the industry on a sound basis. This involves a further injection of public money and, for a temporary period at least, a greater degree of government involvement in the industry's affairs. But the ultimate goal is a viable, private-sector industry capable of standing on its own feet.

Thus steel is a crucial test for the Barre Government's new industrial policy, which is aimed at increasing competitiveness, allowing market forces to operate and abandoning attempts to prop up declining sectors. The implication, as Mr. Raymond Barre, the Prime Minister, has made clear, is that old-established industries like the production of bulk steel may be allowed to contract and resources transferred to other sectors, such as engineering, which can compete in world markets. This approach marks a fundamental change from the dirigisme of the past twenty years, but there are doubts as to whether it is politically feasible.

An important element in the steel plan is the decision by the Government, state-owned institutions and other creditors to convert part of their loans into equity in three new financial companies which will effectively control the three main steel-making groups, Usinor, Sacilor and Chiers-Chatillon. This has been criticised as a disguised form of nationalisation — precisely the step which the Socialists and Communists were recommending in the election campaign six months ago. But Ministers are insisting that the conversion scheme is the only effective way of reducing the burden of debt repayments and that they have no intention of following the British and Italian example in nationalising the industry.

### Over-capacity

The great disadvantage of public ownership, especially in industries like steel or shipbuilding, is that it slows down the process of adaptation and redeployment. It is arguable that the right strategy for the bulk steel producers is that followed by, for example, Thyssen in West Germany, which, while modernising its steel-making facilities, has greatly increased its investment in capital goods and mechanical engineering. The growth in demand for steel will be modest over the next few years and, as more of the developing countries create their own steel industries, over-capacity may persist for a long time. In these circumstances a big Government commitment to steel-making is likely to prove expensive and troublesome.

For the UK the French announcement underlines the need to face up to decisions which have been deferred for too long. While British Steel is having some success in negotiating closures of high-cost plants, the financial structure of the Corporation is fragile and it remains doubtful whether the Government is prepared for the kind of contraction in the industry which market conditions may require.

# 'Heroic surgery' of stripping nuclear reactors

BY DAVID FISHLOCK, Science Editor

IN VIENNA earlier this week, in his annual report on the health of the UK's nuclear industry to the International Atomic Energy Agency's general conference, Sir John Hill, the Government's chief nuclear adviser, disclosed that Britain has begun to demolish one of the most highly irradiated pieces of nuclear engineering to be found anywhere in the world. It is the Dounreay Fast Reactor, the experimental reactor whose huge pale-green sphere of a containment on the north coast of Scotland is one of the most familiar symbols of nuclear power.

Mr. Justice Parker's well-publicised report of the Windscale Inquiry earlier this year, with its unequivocal conclusion that the project should proceed "without delay," destroyed most of the myths created by the nuclear energy industry's opponents to arouse public fears about its activities. However, their public statements since the report was published in March give no cause for believing that their zest has lessened. But they do give some reason for thinking that opponents are earnestly seeking fresh targets to try to restore their influence.

For its part, the nuclear industry is trying to anticipate new angles from which it might be attacked, and where opponents might arouse enough public concern to cause delay while the charge is publicly examined. The Windscale Inquiry held up the plans of British Nuclear Fuels for about two years, allowing its French counterpart, Cogema, to take the lead in commercial reprocess of nuclear fuel. Where BNFL once had ideas of building not just one but two big new plants at Windscale to meet the world demand for reprocessing, today it is the French who have the orders and are pushing ahead with plans for two new plants.

One area, where the industry expects trouble from its critics is the dismantling and eventual disposal of obsolete nuclear plant. It is reasonable to expect that, by the end of the century —no matter how ingenious the industry proves at prolonging the life of existing nuclear reactors—all 26 Magnox reactors totalling about 5,000 MW, operating at 11 sites in Britain, will be shut down. The oldest, the Calder Hall station near Windscale, will be 44 years old —more than twice its design lifespan.

A recent statement by the Central Electricity Generating Board saying that it was putting £10m a year aside towards the cost of decommissioning these nuclear stations—"a reasonable figure," Sir John Hill, chairman of the UK Atomic Energy Authority, comments—promptly brought charges that this was the first time it had thought of the problem: that it was too late; that it meant nuclear power would be much more expensive. What worried the industry most, however, was the charge that its activities might leave the landscape littered with radio-active "barrows"—menacing picknickers for centuries to come.

This idea arises from one view the UK AEA has held for more than a decade about the disposal of obsolete nuclear power plants. This is simply that they could be stripped down to the "nuclear island" —that portion contained within the thick concrete shield against radiation—and then lanscaped by bulldozers into fertile knolls. The cost of so doing might be no more than the electricity supply industry expects to pay to dismantle conventional stations, because there would be no radio-activity escaping from the "biological shield:" less, perhaps, than the cost of dismantling a coal-fired station which has used blue asbestos as insulation.

Even so, the nuclear industry believes that the idea of such conspicuous pockets of radio-activity is one that has potential for much mischief from its opponents. In any case it would not be a permanent solution because eventually—although it might be hundreds of years—the biological shield would be eroded or collapse. The U.K. Atomic Energy Authority has therefore been working for some years on the problem of completely dismantling a reactor, removing all radio-activity and restoring it to a greenfield site.

World experience of the complete dismantling of nuclear reactors is limited at present, for the obsolete experimental reactors on such sites as Harwell have been too inconspicuous to impinge upon the public awareness. (At Dounreay, however, an obsolete reactor is used as a *retrievable* store for radio-active waste.) The biggest reactor to be wholly dismantled so far is the Elk River Boiling Water Reactor (22.5MW) in the U.S. in 1974.

In Europe early nuclear plants are being identified which might be used to discover any problems of complete dismantling. West Germany has picked out the 100 MW Niederaichbach demonstration pressure tube reactor, shut down since 1974. But it operated for only 13 days and is not very radio-active. In Britain, the UK AEA is studying both the 33 MW Windscale Advanced Gas-Cooled Reactor (WAGR), still in service, and the 15 MW Dounreay Fast Reactor. The Dounreay reactor was shut down early last year after 17 years of operation; and some of the most highly irradiated components anywhere in the world have already been removed, providing Britain, as Sir John told the IAEA this week, with "first-hand experience in decommissioning." The Central Electricity Generating Board is studying the same problems for a typical Magnox reactor.

Most highly developed are plans to dismantle completely the WAGR, the pear-shaped reactor which has become a ubiquitous — albeit quite inaccurate—symbol of the spent-fuel reprocessing factory at Windscale. In fact it is the progenitor of Britain's new generation of nuclear reactors. Its experimental programme, chiefly as a fuel testbed, is expected to end within three or four years.

A working party co-ordinated by Mr. Bill Lunning of the UK AEA at Risley has made a feasibility study of the problem of dismantling the WAGR. Over the next year or two it will complete a detailed plan for the job. In essence the task consists of razing an engineering structure composed of about 1,400 tonnes of mild steel (it has a steel pressure vessel), 40 tonnes of stainless steel, 300 tonnes of graphite, 4,000 tonnes of concrete.

Once the nuclear fuel has been removed for reprocessing —and with it all the highly radio-active fission products which cause all the headaches for reprocessors—most of the WAGR's activity will be concentrated in its stainless steel parts, mainly in the cobalt and nickel constituents.

The toughest problem may be to cut through the 10 ft-thick biological shield, the innermost 3 ft or so of which will still be radio-active enough to need special protection for the demolishers after two years. Inside, the biggest components are the four heat-exchangers, 65 ft tall and 11 ft in diameter. The tube surface and geometry of the parts suggests difficulties in decontamination, the painstaking chemical washing used to remove surface radio-activity.

The UK AEA estimates that to build the WAGR today would cost about £70m. (compared with the £9m it cost originally). To strip it down to the biological shield, leaving—as the accompanying sketch illustrates—a comparatively puny structure, only 50 feet high and 50 feet in diameter, would cost about £5m. To raze WAGR to the ground and dispose of all its radio-active waste would cost a total of about £9m. (These figures include no allowance for any scrap value.) For comparison the CEGB expects to spend an average of £2m-2.5m dismantling each of its small, coal-fired stations, with the expectation of perhaps £1m for scrap. Worries about blue asbestos have increased costs recently by about 25 per cent.

In arriving at such estimates, the UK AEA has been able to draw upon a lot of native experience of "heroic surgery" on highly radio-active plant. It has repaired two major failures within reactors—a sodium leak in the Dounreay fast reactor and a "melt-down" of fuel in a Magnox reactor. It has dismantled two reprocessing plants, and rebuilt them for new reprocessing tasks. The latest, at Dounreay, now being recommissioned, involved workmen entering a plant which had processed 12 tonnes of intensely radio-active fuel from the Dounreay fast reactor and had acquired 20m curies of radio-activity. One of its chemical processing cells has been razed and rebuilt completely—not by remotely controlled robots but by men protected by "space" suits with their own air supply. The net result, says Dr. Tom Marsham, managing director of the UK AEA's northern division, is a new reprocessing plant for the prototype fast reactor at a cost of £4.5m., whereas one built from scratch would have cost between £10 and £20m.

Other experience of direct relevance is still being gained, for example from the refurbishing programme of British Nuclear Fuels for its Magnox reprocessing plant at Windscale. Over the next decade it is expected to be virtually rebuilt at a cost put at upwards of £365m. And the CEGB, at its Berkeley Nuclear Laboratories, has a large programme developing remotely operated tools for inspection, repairs and exploration inside reactors. But Dr. Marsham, a little wryly, says that the problems of dismantling reactors seem solvable without the need for fresh research. To his surprise it seems to be more a matter of applying old tricks —such as dust-free water-jet cutting of concrete and thermic lances — to some inconvenient situations.

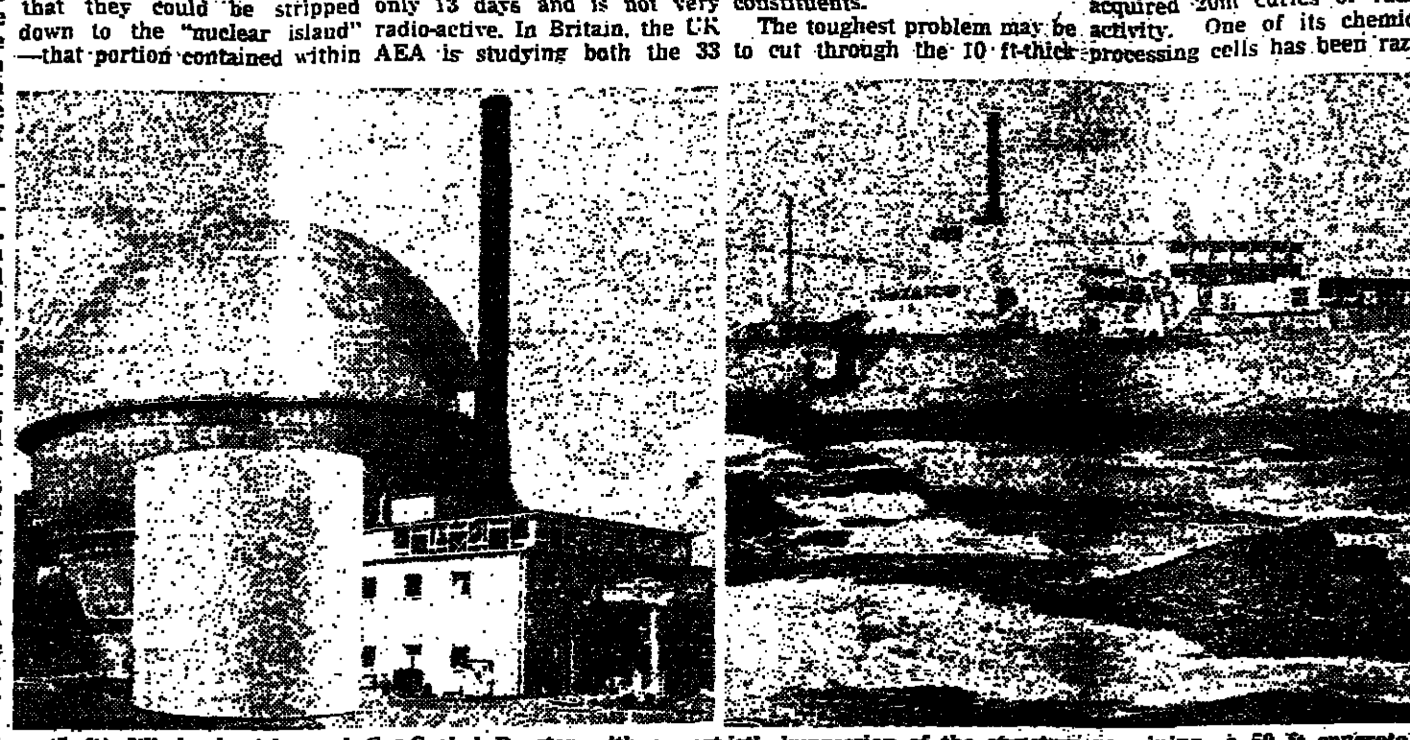
This summer the EEC Commission put forward a seven-point programme for collaboration in the development of techniques needed for demolition. These propose studies of: 1—The integrity of nuclear buildings and systems over long periods following shut-down. 2—Decontamination. 3—Dismantling. 4—Treatment of the radio-active waste. 5—Transport containers for the waste. 6—Estimating of the amounts of waste. 7—The influence of plant design upon demolition.

If the programme is accepted by the Nine, the outcome of the first six points identified will clearly have a major influence upon point seven. But Dr. Marsham is already convinced that for the future much more can be done at the design stage to facilitate decommissioning.

It is a problem that the nuclear fusion designers at Culham are already examining. They believe that, so intense will be the radiation in a fusion reactor, they must be prepared to remove and replace whole sections of radiation-damaged structure during the working life of the reactor. It is also a point which opponents of plans for Britain's first commercial fast breeder reactor (CFR 1) are sure to bring up at the public inquiry. The parts recently removed from the Dounreay Fast Reactor, now being examined, will yield much more information on damage induced by intense and prolonged radiation.

Another way of ameliorating the problem, suggests Dr. Marsham, is to design reactors for a longer working life. The Magnox reactors were designed conservatively for a lifespan of 20 years but may well exceed it—the earliest (and coolest) perhaps by a decade or more. Quite small sums being spent by British Nuclear Fuels on its Calder Hall reactors promise to keep them working economically well into the 1980s. As Sir John Hill points out, once the Magnox reactors have been amortised they will be making "very substantial profits" so there will be plenty in the kitty to pay to keep them in good working order. The newer advanced gas-cooled reactors derived from the WAGR were designed for a 25-year lifespan, but corrosion gives some cause for worry whether this can be stretched at economic operating temperatures.

But if reactors could be designed for a working life of, say, 50 years, the electricity supply industry would have a new dimension of flexibility in planning its nuclear sites. After another 50 years, radio-activity inside a reactor will have decayed to levels where the problems of demolition are very much easier. Nuclear sites could inside the fence, operational plant, plant lying "fallow" therefore be planned to have three types of nuclear plant inside the fence—operational plant, plant lying "fallow" awaiting demolition, and new plant under construction. Corrosion, the enemy of every engineer, is the biggest obstacle to a guaranteed 50-year working lifespan at present.



(Left) Windscale Advanced Gas-Cooled Reactor with an art ist's impression of the structure remaining—a 50 ft concrete cylinder—once the non-radioactive parts of the 33 MW experi mental power station are demolished. (Right) Dounreay Fast Reactor, shut do wn last year.

# MEN AND MATTERS

## Drawing room revolutions

Anthony Wedgwood Benn, or Tony Benn as he likes to be called, has undergone something of a transformation since the heady days of Harold Wilson. To the disappointment of both friend and foe his image as the Wild Man of British Politics has steadily faded under Callaghan's rule. Somehow it was all summed up by the muted red tie — almost russet, I thought — and a sober grey suit which Benn wore to yesterday's lunch at the Foreign Press Association.

Sitting on an uncomfortable-looking radiator, the Energy Secretary talked about harnessing the waves of the Atlantic and mining coal in the next millenium. But there was little of the fire which used to enliven British politics.

To the bemusement of my foreign colleagues, the references to the red flag have become very historical, tending to cluster round 1381 and all that. And the word "revolution" has subtly changed its meaning. Fielding an American's question about electoral reform, Benn described the British two-party system as allowing the "authentic revolution" of getting rid of a government lock, stock and barrel.

This, he said, is the "beauty and importance and strength" of the system. Proportional representation by contrast would mean consensus politics for the rest of time, he said, to the confusion of a number of European journalists whose countries suggest the opposite.

I asked how he reconciled his own circumvention of such revolution last year. "The Lib-Lab pact one would call *force majeure*," replied the new bland Benn.


"Turning a blind eye to sanction busting seems to have become a habit."

## Minding baby

Puting the Regency splendours of Carlton House Terrace and the Athenaeum behind me, I crossed the park to the more faceless atmosphere of the Department of Environment's tawdry skyscraper. It was almost a case of leaving socialism in theory to check on socialism in practice: the Department was produly launching its booklet to help one-parent families find housing.

The problem is a huge one: One family in ten is affected: 1.2m children have only one parent. But local authorities have not been giving such families the priority which the government is now keen to see. Would they back up their requests for a change in approach with the tougher measure of statutory directives? "We are anxious to change attitudes, but we cannot do this by knocking people over the head," says Ernest Jones, the Parliamentary Under Secretary of State involved.

Paul Lewis, deputy director of the National Council for One Parent Families, told me outside the press conference that they were simply not satisfied with the government's failure to instruct local authorities to fulfil their obligations. And one of his colleagues was scathing about the government's rejection of over half of the 230 recommendations in the 1974 Finer Report. "If implemented it would have radically transformed the lives of 750,000 families and allowed many to begin working and stop having to claim supplementary benefits."

When I asked Mr. Jones what was being done so that single parents could hold down proper jobs and not have to rush home at 3.30 to pick up children he told me that the government Think Tank, the Central Policy Review Staff, had just published a study on this. Its conclusions, I learnt before leaving the Ministry, is the hardly surprising finding that "services for younger children have been neglected and even curtailed."

## Unenthusiastic

A few yards up the road I found myself at Church House, so dropped into see how the Crown Agents Tribunal was doing disentangling the losses of yesteryear. Climbing the stairs, I left the General Synod behind me, wandered through the Bishop Partridge Hall and found myself looking down into the grand Assembly Hall. The ceiling was inscribed with messages about inheriting "a home of unfading splendour" and there were doors marked Clergy Ayes and Laity Noes—and vice versa. But the benches seemed virtually empty of either—only 30 people were present to hear the latest news on how the taxpayer lost £236m. After a few minutes of droning complexity I began to understand why.

Leaving, I came across a barrister who told me that no less than 10 QCs and 16 other barristers were involved. And who are paying? Again, the taxpayer.

The Treasury Solicitor, Sir Basil Hall, tells me that £250 per day for a QC and £100 per day for a junior are "probably not out of the way fees." This would indicate a monthly cost to the taxpayer of around £80,000, but Hall says he is naturally concerned at keeping expenses down and that there have bee n "discussions" with counsel on this. He points out that not all counsel are on each day.

He thinks, however, that it would be "remarkable" if the hearings finished before next August. This would seem to imply a bill of at least £0.5m, which is to come out of next year's Treasury law charges vote.

This year the vote was for a total £8.3m. It has to cover such offices as those of the Attorney General and Director of Public Prosecutions, and the budget, I hear, is already being strained by the costs of the current Official Secrets Act trial. How would the department react to a further expensive tribunal, on the Bingham Report? "Well," Hall tells me, "we must wait and see. From a purely adminstrative viewpoint, the enthusiasm is lacking."

## Futuristic cake

I can only admire the prescience of Collin Street Bakery out in Corsicana, Texas. Its latest circular about the De Luxe Fruit Cake—"the delicacy delivered right to your door"—looks bravely into the future.

"On September 23, 1978," boasts CBS, "in Geneva, Switzerland, De Luxe was awarded Monde Selection's Gold Medal for Excellence."

**Observer**



[صورة من الأصل]

ECONOMIC VIEWPOINT

# A frosty house for the monetary follies

HAS been a bad year for ›se in authority who believe ıt the trick of managing ancial markets is to engender nfidence. This creed is held some highly distinguished ɜn. Chancellor Schmidt and esident Giscard d'Estaing be've that fluctuating exchange tes are bad for confidence, d conclude that an elaborate w scheme for stabilising rities inside Europe will of elf engender growth while wering inflation. The Governor the Bank of England and e Permanent Secretary of the easury have both given public dresses about how declared ›netary targets engender ancial confidence. Accordgly they have fixed more ›derate targets, and put the ıole banking system in a raitjacket to achieve them. ›netary growth is moderate, ›netary union is on the way.

Yet if this whole star cast had raded in funny hats to sing *Iappy Days Are Here Again,"* ey could hardly have had a ›stier reception. The endless ldrums in our own gilts mart have been discussed endssly. In Europe, though, attenɔn has been to riveted by e political and technical anouvres leading up to the w production of "Son of ıake" that no one seems to ve remarked on the lack of y noticeable market reaction. ıere is plenty of advance pubity and gossip, but no one is ıying any tickets.

The trouble is that this is a phisticated audience, and they e pretty sure they have seen e show before. There are inor novelties—the grid that oks like a basket if you put ı rose-coloured spectacles, and the promise of a team of midgets doing an impression of the IMF in action. However, these are no substitute for a new plot. This is just another attempt to launch the show that had to be taken off in 1971 and 1972 and 1976.

To abandon the theatrical metaphor, this is just another version of fixed but flexible exchange rates: and to a cynical market, that sounds very like floating, only jerkier. We will be back, no doubt, to speculation, especially since the assembled powers announced that they will bind themselves contractually to finance several billion dollars' worth of hot money flows. The airlines can look forward to some lucrative business with the central banks. Sooner or later, however, the fixed parties will be proved flexible. To judge by the hints one central banker has given me, it will be sooner. The lesson of recent years, it seems, is to move promptly, in response to or even ahead of market pressures—a tribute to the French achievement of catching all the dealers with their bathing trunks on in 1969.

## Duke of York

Even on a technical level, this is an extraordinary notion. If there is one clear lesson of recent years, it is that you can only take a market by surprise once or twice in the same way. Indeed, you can provoke a troublesome kind of countercynicism. Our own gilts market, for example, was persuaded to go through what has become the Duke of York manoeuvre in two spectacular bull markets, followed by sad relapses. This year it is unresponsive even to evidence that the real situation may be improving—especially to a fall in inflation which was generally thought quite impossible to achieve a year ago. Investors are obsessed with the fear that what they see is only the Duke of York in a new uniform.

> **"The trouble is that this is a sophisticated audience, and they are pretty sure they have seen the show before. There are minor novelties—the grid that looks like a basket if you put on rose-coloured spectacles, and the promise of a team of midgets doing an impression of the IMF in action. However, these are no substitute for a new plot"**

In the foreign exchange market it is no doubt possible, once or twice, to move ahead of the market. It is the sort of triumph which central bankers no doubt like to describe to their grandchildren in later years. However, it is not and it never can be a policy.

First, there is a lot of political will invested in the new scheme—indeed, if there were not, the officials would long ago have scotched it. Politicians like to see themselves standing up to the faceless speculators. (Most of them are in fact perfectly agreeable and prudent men in company treasuries, but at least one Communist central bank makes large and consistent profits in the currency markets, so the conspiracy theory can live on). Central bankers often have a hard time persuading their governments to yield to realities after long and heavy market pressure. To persuade them to devalue and provoke inflation, or revalue and compress profit margins, on the strength of an educated guess at a market movement which has not yet begun, would take a banking Demosthenes.

In any case, even if it were possible to persuade Ministers that out-smarting the market is fun, it would not work for long. If central banks are going to start guessing which way the market is likely to move, it will be a matter of weeks before the market is trading on what it thinks central bankers are likely to guess. As Keynes pointed out more than 40 years ago, speculators live not by assessing reality, but by assessing how the market is going to perceive reality: and those who survive become very good at it.

Fixed but flexible rates are no longer, then, for the market, a serious proposal. It is true that there are reports that some credulous European investors would be large buyers of British Government stock on news of a British commitment to the new union; but since this would simply provide expensive finance for a rise in the reserves, without helping to control the money supply, the London market sees little to celebrate. It would take *time* and new policies to carry conviction.

The most important new policies needed are first, a clear linkage between the monetary arrangements inside Europe and the domestic policies of the participating countries; and secondly, transitional arrangements for smooth rather than crisis-ridden adjustments while these policies have time to work—five years or more, the City estimates.

Fortunately the basic monetary rules can be described in a sentence: where intervention in the currency markets is built into the rules, monetary policy should be based on domestic credit expansion rather than on the growth of the money supply. Since, with a few trimmings the scale of intervention measures the difference between money growth and DCE, this means that capital flows would deflate the money supply in weak-currency countries and inflate it in strong ones.

As long as intervention is simply between members of the union, the pluses and minuses cancel out, and a DCE rule results in exactly the same rate of monetary growth in Europe *as a whole* as an agreed monetary policy would do. It simply ensures that the pressures are brought to bear where they are needed.

However, it is unlikely that strong currency countries will relax their own declared monetary discipline. If the result was simply a monetary rule for strong countries and a DCE rule for weak ones, the net result would be deflationary in Europe as a whole whenever the markets were turbulent, because money growth in weak countries would be cut without rising anywhere else — the result that British officials fear. In practice, the result is likely to be milder. After all, German monetary policy under pressure has proved reasonably elastic.

## Adjustment

As a long-run ideal, a system which was mildly deflationary under strain, but broadly neutral at other times would probably help to preserve stability once it was achieved; but adjustments will be needed for some years, and little has been said about how they are to be managed.

There are two basic alternatives, either of which might win some credence in the market. The first is for the contracting governments to continue floating, while declaring that it is their central aim to achieve the conditions for monetary co-ordination or union. Britain would join only after we were floating stably alongside the existing snake.

This would be practical, but it is far too unexciting politically to appeal to Ministers. It sounds almost exactly like existing policy. The one highly significant difference would be that the Government would in effect declare in public that it was no longer aiming simply for a competitive exchange rate. In fact Ministers already behave as if policy had changed. Depreciation has proved too costly a form of adjustment, and a strong exchange rate is seen as an invaluable support for income policy. However an open declaration of this tacit belief, suported by appropriate plans for monetary growth, might really begin to carry some long-term credibility.

The alternative is to find some smooth adjustment mechanism inside a union. The crawling peg—a slow, steady monthly adjustment of central intervention points, co-ordinated with interest rate differentials—has appealed to theoreticians for years, but is little discussed among officials, and has been abandoned politically even by the Liberals.

It might strongly appeal to the markets, however, according to a few soundings of my own. It would offer adjustment, which dealers see as inevitable, with much reduced uncertainty. It is quite impossible to say what level of interest rate would compensate a holder for a 5 per cent depreciation at some unknown time in the reasonably near future. He will simply engage in a game of chicken, drawing his interest as long as he can, and try to jump just ahead of the train. On the other hand the interest rate needed to compensate for a depreciation of a ½ per cent a month over 10 months is known exactly: and if the rate of adjustment looks adequate, there is no temptation to jump. Neither system will enable the authorities to achieve parities which the market does not find credible; but while under the fixed-but-flexible rules *all* changes are disruptive, under a crawling system only *inappropriate* changes would cause trouble.

## Sceptical

Logical solutions exist, then, but apparently they are not even being explored: the market waits sceptically for the politicians to try to learn again from the same mistakes they have made before. Meanwhile it is equally sceptical about our domestic monetary progress. The figures are good, but they are produced by heavy distortion. Here, fortunately, official disillusion is almost on a par with that in the market: the corset suppresses banking competition, and may revive uncontrolled financial markets. We may have to wait for an election, but the slow reappraisal has already started: it may after all be domestic rather than European policies that finally do restore confidence.

**Anthony Harris**

# Letters to the Editor

## Accounting for pensions

*rom Mr. T. S. Shucksmith*

Sir,—P. Raymond Hinton's ticle on accounting for penons (September 13) made some ıry important points. Firstly, ›ost occupational pension :hemes are large financially in ɪmparison with their sponsoring ɪmpanies: the market value of :heme assets may be more than ılf the stock market valuation › the company, and the scheme ›ntributions and investment ɪcome may severally exceed the ɔss cost of dividends. Secondly, ıere is virtually no information ıailable to the shareholders or ›ospective acquiring companies › enable the adequacy or otherise of the asset backing and rovision for current accrual of ension expectations to be ssessed.

It is misleading, however, to ıggest that the solution requires ıore frequent (or prompter) ːtuarial valuations and immedite amortisation of deficiencies or limination of surpluses. This is erhaps fostered by the neat way ːtuarial investigations of longːrm solvency are summarised in ːrms of present values of liabilies and assets. To measure the hange in financial strength of a ension fund by taking the differnce between deficiencies or ɪrpluses at adjacent valuations › not a meaningful indicator of rogress. It is analogous to eriving a company's trading rofit by valuing a company's ssets and liabilities at the beginıg and end of a trading period nd taking the difference in net ssets. It is more sensible to ıonitor the progress of pension chemes over time by thinking ı cash flow terms and comparıg the contribution surcharges ecessary to remove deficiencies ver a standard period of say 20 ears.

Another way of expressing the ıatter is to regard pension chemes as ships aiming for the arbour of solvency a long time ı the future (when their last ıembers die). The ship is conınually being blown off course y varying winds and tides. Over period many of these influnces, to a greater or lesser xtent, cancel each other out, nd it is not a good captain who eacts to every change of wind nd current with a change of hrottle and a tug on the helm. t is the actuary's difficult task o judge the average influence of he multitudinous factors and to teer a sensible course.

Present values of assets and iabilities of pension schemes can e a useful measure for comparıng companies with similar chemes. However, even if all he technical difficulties of calulating comparable figures at he same date were resolved, the exercise might still not be valid. The reason is that, although each cheme might formally offer imilar benefit expectations, the chemes' eventual costs could be very different, because of differences in such matters as "ex gratia" pension increases or reatment of early leavers. For example, a scheme in the event paying pension increases at 6 per cent per annum higher than another otherwise similar scheme would require a fund about 50 per cent bigger with a contribution rate some 50 per cent higher.

In view of these problems and he fact that actuarial costing must be admitted to be subject to wide margins of uncertainty, I cannot help feeling that matters would be much more satisfactory for companies, shareholders, employees and pension scheme members, if pension schemes were run on express "with profit" lines. The company's liabilities would be fixed in money terms in the employees' remuneration package. The actuaries' task would then be to achieve a smooth and equitable emergence of benefits to employees from the fund, perhaps by means of varied pension increases on fixed benefit formulae, or by some other bonus system.

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*Reigate, Surrey.*

## Duties of trustees

*From Mr. Paul Dean MP*

Sir,—I was interested in your report (September 15) of Sir Harold Wilson's comments about pension funds. Sir Harold has made it clear on a number of occasions that the growth of pensions funds and other institutional investors, has provided him and his Committee with an issue which they intend to get their teeth into.

When a former Labour Prime Minister says he is worried about something, it is a safe bet that he is going to recommend that the Government should take some action. The last thing wanted after the spate of pensions legislation in recent years is yet another Act. More significantly, I can think of nothing more likely to worry pension scheme members, or to undermine the trust between members and trustees, than political control over investment in the so-called "national interest." Such a weapon in the hands of an intervention minded Government could be devastating to the security of the savings of millions of families with a stake in pension schemes.

How are we to avoid these dangers and anticipate constructively the likely recommendations of the Wilson Committee? Those of us who are pension trustees have to recognise that Sir Harold is right when he says that pension funds collectively can exercise great power in the economic life of the nation. The financing of the public sector borrowing requirement is an interesting example. It suggests to me that trustees and their advisers recognise that their duty to their pension scheme members cannot be divorced from national economic considerations. In other words, the present investment arrangements work in a practical and pragmatic way which direct Government intervention would be more likely to undermine than improve.

However, there are problems which recent developments have emphasised. The reaction of the pension fund investors to the bid by Allied Breweries for Lyons shows that a sleeping giant is beginning to stir. Rightly so, in my view, when major policy issues are involved.

But, by whose authority is the sleeping giant stirring and to whom is he accountable? To the pension scheme member, of course, under trustee law and other legislation. But is this adequate in modern conditions? Are trustees as accountable, say, as company directors? How good in practice are trustees at keeping members informed and encouraging member participation? My experience suggests that large and growing pension schemes can give good answers to these questions. But are they good enough and how will they look to Parliament and the general public when Sir Harold Wilson's committee turns on the spotlight as it surely will?

The most convincing answer is effective accountability. It is better to act now rather than wait for the Wilson report and the Government should set the ball rolling. I would like to see the Government request the Occupational Pensions Board to draw up a code of good practices relating to the running of occupational pension schemes and their accountability, with particular references to adequate and readable information and the variety of ways in which members can be involved in the running of their schemes. The OPB has done a good deal of work on this already. I believe that such a code from such an authoritative and respected source would greatly assist trustees in fulfilling their growing responsibilities. Far better a flexible and voluntary approach through the OPB than the imposition of compulsory control through the Government and Whitehall.

Sir Harold has helped to concentrate the minds of pension trustees. The ball is now in our court.

Paul Dean.
*House of Commons, SW1.*

## Non-executive directors

*From the managing director, Ores International*

Sir,—Your correspondents Mr. D. H. Cairns and subsequently Mr. R. J. Tricker (September 15) appear to concur that there is a shortage of non-executive directors. I submit that on the contrary there is a wealth of talented people available.

Specifically I refer to the executive directors of successful companies. In my view they should be invited and encouraged to take up non-executive directorships of other companies that are non-competitive to their own. There should, of course, be a limitation to the non-executive directorships they may hold, e.g. not more than two which, with their own executive directorship, would make a total of three, the legal limitation that maintains in France. In this way they would widen their own horizons, help other companies improve their performance and, of course, make a greater contribution to British industry.

M. I. Webb-Bowen,
*35-39, Maddox Street, W1.*

## Name of the game

*From Mrs. Judith Watson*

Sir,—I read Michael Dixon's article "Fury of an unrecognised manager-manager" in today's Financial Times (September 19) with interest and sadness.

Interest, because I have been a secretary for 20 years, both in the United Kingdom and the Far East: sadness, because much of what he says is true.

It seems that if you want your job title to bear a capital "S." you should avoid shorthand and typing at all costs, although Samuel Pepys, arguably the greatest secretary of them all, used shorthand.

I am trying not to feel too bitter over the discovery that the last paragraph of the article, subheaded "£20,000 pair" refers to vacancies for a managing director and a sales executive and has nothing whatsoever to do with the main theme.

Judith Watson,
*16, Melsted Road,*
*Hemel Hempstead, Herts.*

## Management information

*From Mr. David Cruickshank*

Sir,—Dan Smith in his article in your columns on September 18 offers managers a pair of crutches instead of an information system—and very expensive crutches they could turn out to be, with their built-in tendency to slow down management reaction time, and ultimately management productivity. Only bureaucratic managers with relaxed accountabilities can afford to wallow in an information bath filled by an information czar or commissar.

Centralised information banks have a real danger of cultivating "information for information's sake." There is something Parkinsonian about the constant expansion of information gathering to fill the time made increasingly available for debating and communicating management decisions. Theoretically there is no limit to the amount of information and management time that can be used in the debate, and discussion leading up to decision-taking. The most important management decisions relate to strategic issues which lie in the future, and since the future still contains a large element of the unknown, there is no information package that can ensure perfect decision taking, no matter how long the debate or information gestation continues.

Managers who carry real accountability for their performance know, from experience, the information that is critical to their performance, and where to find it. There is no readily available package of information that can take the place of the manager's own probing and searching. Information needs to be communicated as directly as possible, "from the horse's mouth," on a highly personalised and selective basis always relevant and always usable. Line accountable managers need to be encouraged to get out of their chairs and seek out their own information, and not allow themselves to become imprisoned by a bureaucracy of functional commissars providing stereotyped information on every subject, until the final information reaches the inner sanctum, "You are broke."

Corporate studies of management productivity both here and abroad reveal the same crucial differences between the good and bad performers—excessive build up of functional experts with no real accountabilities, spoon feeding line managers with the information to address almost every kind of question except the job in hand—raising productivity. Management's prime task is to stimulate shop floor productivity, and to do this it needs direct access, direct involvement, and a strong measure of personal accountability in their use of scarce resources. By demonstrating their preference for direct contact within the line organisation, right down to the shop floor, and eliminating go-betweens and co-ordinators of second-hand information, line managers enhance their credibility and commitment to raising productivity. It sometimes takes courage for a manager in a large bureaucratic organisation to get out of his chair and throw away his information crutch, but managers in smaller and more accountable companies know only too well—the crutches are only a hindrance.

David Cruicksbank,
Senior Partner,
Cruickshank and McNab,
*24, Buckingham Gate, SW1.*

## Workers as shareholders

*From Mr. W. Grey.*

Sir,—If, as Mr. B. A. Cole claims (September 19), "there is ... usually a 'result' which gives a better measure of a worker's productivity than total company profits," well and good: those who favour involving workers at all levels more closely in their company's success, howsoever measured, will not quibble about technical details as long as the basic principle which they have at heart, and with which Mr. Cole evidently does not disagree, gains acceptance and is given the opportunity to show its paces over a wider field than hitherto.

On the question whether, in the case of employee shareholders, shares should be "given" or have to be "bought" in the normal way, there again can and need be no hard-and-fast answer. What matters is that the right to hold shares, and to participate in the resulting benefits, must in all cases be earned by the workers themselves, if only by their agreeing to sacrifice some of their hitherto vested interests, and so will not be at the expense of other shareholders (or, in the case of a state enterprise, the taxpayers), whose sacrifice in turn, such as it is, will be for their own and the general good.

Indeed, such shareholding need not, as the writer of your Lex Column has just (September 18) reminded us, be a "one-way" street. Given appropriate (Inland Revenue-approved) stock dividend schemes, enabling them to reinvest their dividends in additional stock at a suitable discount, employee and other small shareholders could provide their companies with a useful, continuous and relatively cheap source of new equity capital, and so "help stem the tide of institutional dominance over the stock market." Will the Wilson Committee, and Mr. Cole himself, please note?

W. Grey.
*12 Arden Road, N3.*

## Political contributions

*From the Director General, The Economic League*

Sir,—In your article (Sept. 11) about donations to the Conservative Party and so-called "right-wing organisations" you quote as your source the Labour Research Department (LRD), which you describe as "an independent trade union research organisation."

The LRD's title is certainly misleading and even suggests to some people that it may be connected with the Labour Party. Not only is the LRD not connected with the Labour Party, it was for thirty years — until 1972 — on the party's list of proscribed organisations. Any significance in its removal from the list was greatly reduced by the Labour Party's scrapping of all proscriptions one year later.

Its claim to be "independent" is at odds with the fact that it has been for more than half a century under the control of the Communist Party and Communists. Their supporters still dominate the current executive.

Peter Savill,
*Asphalte House,*
*Palace Street, SW1.*

## Construction statistics

*From the Managing Director, The Economist Intelligence Unit*

Sir,—The report which The Economist Intelligence Unit prepared earlier this year, "Public Ownership in the Construction Industries," has been referred to in your correspondence columns, most recently by Mr. Armitt of CABIN (September 11) and Mr. Wood of UCATT (September 19). Without wishing to enter the debate I would like to make two points clear. First, our report was prepared independently of CABIN and its conclusions are those of the EIU and of no one else. Second, the statistics which are used in the report on safety, as indeed on other topics, are taken from official sources and identified as such in the report.

Michael J. West.
*Spencer House,*
*27, St. James's Place, SW1.*

# Today's Events

GENERAL

Strikers at Leyland Vehicles, Bathgate, meet to hear whether the Amalgamated Union of Engineering Workers' executive will support claim for parity with Rover toolmakers.

Deputation from KME, the Kirkby workers' co-operative in Liverpool, meets Mr. Alan Williams, Minister at the Department of Industry, to seek further financial backing.

Mr. Eric Varley, Industry Secretary, addresses TUC-organised local shop stewards' conference in Leicester on clothing, textile and footwear industries.

National Farmers' Union Council meeting.

Church Commissioners and Church of England's Central Board of Finance report on Church finances.

OFFICIAL STATISTICS

Car and commercial vehicle production (August—final). Capital expenditure by the manufacturing distributive and service industries (second quarter—revised). Manufacturers' and distributors' stocks (second quarter—revised). Finished steel consumption and stock changes (second quarter—final).

COMPANY RESULTS

Final dividends: Dowding and Mills. Reabrook Investment Trust. Interim dividends: Brown Boveri Kent. A. F. Bulgin and Co. City Hotels Group. Delta Metal. Gresham House Estate Company. Hall Engineering (Holdings). Leyland Paint and Wallpaper. London and Holyrood Trust. London and Provincial Trust. Hugh Mackay and Co. Harold Perry Motors. Ransomes Sims and Jefferies. Selection Trust. Stone-Platt Industries. United Newspapers. Ward White Group. Wilkinson Warburton. Winn Industries. Interim figures only: Bentalls. Francis Sumner (Holdings).

COMPANY MEETINGS

Magnet and Southerns, Midland Hotel, Manchester, 12. Ratners (Jewellers), Churchill Hotel, 30, Portman Square, W. 12. Scottish, English and European Textiles, Caledonian Hotel, Edinburgh, 12.30.

# COMPANY NEWS

## Lower margins hold Rowntree Mackintosh to £12.5m midway

ALTHOUGH TURNOVER jumped 23 per cent to £231.9m, lower trading margins held pre-tax profits of Rowntree Mackintosh, maker of chocolate, sugar confectionery and grocery products, to only a 4 per cent rise from £12m to £12.51m for the 24 weeks to June 17, 1978.

Sir Donald Barron, the chairman, forecasts that although the full year's profits, after higher interest charges, will show further progress, it will be at a more modest rate than in recent years.

The proportion of half-year sales arising outside the UK was 47 per cent, the same as in the previous year, although exports from the UK have been less buoyant, reports Sir Donald.

Turnover growth was accompanied by satisfactory growth in volume and market shares, he says, which have been achieved in a particularly competitive trading environment, as was envisaged in the group's 1977 annual report.

Then, when reporting on record £41.49m pre-tax profits, the chairman said that 1977 was a year in which there were a number of favourable factors and less than the usual quota of unfavourable ones.

In the nature of international business, the group should not count on a repetition of the position in the year ahead, and the relative market share position which had developed favourably for it in several important markets would lead to severe competition, he warned.

Sir Donald now states that the group's marketing investment is being accompanied by heavy fixed asset investment and this year's programme, amounting to some £40m, is progressing well.

Both forms of investment are important for the long term future of the group, he adds.

Trading profits for the half year rose 9 per cent to £15.52m before higher interest charges less investment income, amounting to £3m (£2.23m), which showed an increase in line with the larger borrowings resulting from higher levels of capital expenditure and working capital.

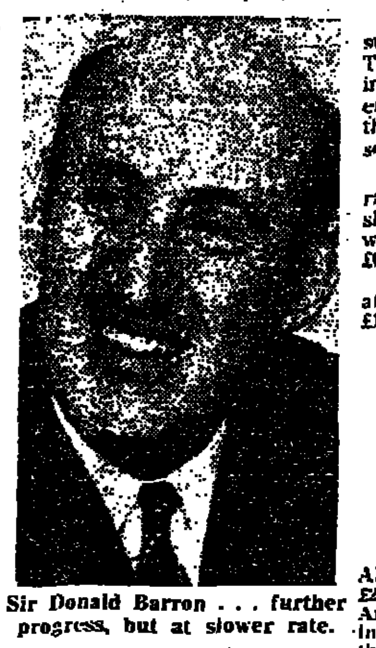
On capital increased by the one-for-four rights issue in May, the interim dividend per 50p share is lifted from 2.75p to 4.5p net, absorbing £2.43m—a total of 13p for the current year has been forecast in context with the issue.

After a tax charge of £6.55m (£6.25m) including overseas amounting to £0.9m (£1.52m), and minority profits £0.53m (£0.75m), attributable surplus was ahead from £5m to £5.43m.

Sales and profits of overseas subsidiaries have been translated into sterling at the respective half-year exchange rates.

Extraordinary items will arise in the full year results, consisting principally of adjustments on translation of overseas net assets into sterling: at June 17, 1978, these would have amounted to a total credit of £2.1m.

See Lex



Sir Donald Barron . . . further progress, but at slower rate.

## Harris & Sheldon up at halfway

REPORTING taxable earnings for the first half of 1978 higher at £1.38m, against £1.27m, the directors of Harris and Sheldon Group say they expect a fulltime total of not less than the record £3.4m achieved in 1977.

External sales by the group which has interests in consumer products and capital goods including lifts, office furniture and store fixtures, were up £2.58m at £20.7m.

The net interim dividend is raised to 1.578p (1.413p) and costs £418,000 (£374,000)—the final last time was 1.559p.

Tax took £716,000 (£659,000) leaving net profit better at £660,000 (£608,000).

## Hoskins & Horton slower but hopeful

A downturn in taxable earnings from £372,500 to £318,600 is shown by Hoskins and Horton building and contracting and engineering group, for the first half of 1978 on turnover ahead to £4.58m, against £3.83m.

The directors state that the benfits from the changes introduced at Hoskins last year are beginning to show and this company is making profits again. The Horton companies have maintained their level of profitability and Trewhella is having another good year.

They therfore regard these results as promising. Hoskins, Trewhella and the Horton Building Supply companies are well employed and it is expected that this progress will continue in the second half.

The net interim dividend is raised to 1.689p (1.513p) per 20p share. Last year a final of 3.658p was paid from depressed profit of £607,488.

Net surplus first half came out at £144,600 (£182,700) after tax of £172,000 (£189,800).

## Burns Anderson well ahead

AFTER A rise from £201,000 to £257,000 at halfway, Burns-Anderson, the Manchester based industrial holding group, ended the June 30, 1978, year with pre-tax profits ahead 43 per cent to a record £620,920, compared with £433,453 last time.

Turnover advanced from £15.97m to £18.16m, of which exports accounted for £498,000. There was a reduced tax charge of £7,923 against £52,055 and attributable profits jumped from £381,398 to £612,997.

Stated earnings were up 4.2p to 11.2p per 10p share, and a final dividend of 1.219p net lifts the total payment from 1.45p to the maximum permitted 1.619p, absorbing £79,900 (£74,819)—cover is increased to 7.7 times. A one-for-one scrip issue is also proposed.

Group liquidity improved by £984,000 and net assets are shown at 62.4p (48.9p) per share.

## Park Bros. to close at end of March

Park Bros. will discontinue its business operations in some six months' time at the end of March 1979.

During the period all new and existing orders will be processed from available inventory and the manufacture of such additional inventory as may be required, the company states.

The company will maintain an ongoing business throughout the run down period and will retain an organisation to fulfill the needs of its customers.

Park Bros. is requesting its customers to review their requirements and place orders for the period through to March 1979. The company will fulfill its obligations under the terms of warranty on its products up to and after the cessation of business.

## HIGHLIGHTS

Lex examines the slower rate of growth at Rowntree Mackintosh and the repercussions of the Price Commission's report on the television rental industry. Meanwhile profits from RTZ seem surprisingly good given the depressed state of the base metals industry, and finally Lex takes a look at Raybeck's bid for Bourne and Hollingsworth where speculators in B and H received a rude shock last night when they learned what value Raybeck put on the company. Elsewhere Dickenson Robinson's interim report has an encouraging ring to it and Molins is beginning to see the benefits of previous changes in its paper and packaging division. Profits at Menzies are riding high thanks to a buoyant retail division and Laporte is starting to recover from the profits slump of last year. Hestair's half time profits make poor reading while one of its past abortive bid victims, Spear and Jackson, also reports lower profits. Finally Eagle Star has been hit by a trebled underwriting loss.

## Spear & Jackson on recovery path

RECOVERING some of the ground lost during the preceding six months, when pre-tax profit fell to £348,000, taxable profit of Spear and Jackson International, agricultural, gardening and building tools manufacturer, amounted to £882,000 for the first half year to July 1, 1978, compared with £1.02m in 1977.

Though not reaching the level achieved in the 1977 first half, group profit in the current year continues to be satisfactory, says Mr. S. M. de Bartolome, the chairman.

Earnings per 25p share are shown to be down from 8.5p to 7.4p. The interim dividend is maintained at 3.575p a share.

Last year's total was 9.375p a share paid on a pre-tax profit of £1.37m.

| | 26 weeks 1978 £000 | 1977 £000 |
|---|---|---|
| Turnover | 21,262 | 21,129 |
| Trading profit | 1,233 | 1,474 |
| Interest payable | 371 | 457 |
| Profit before tax | 882 | 1,017 |
| Taxation | 458 | 508 |
| Net profit | 424 | 509 |
| Minorities | 31 | 37 |
| Attributable | 393 | 472 |
| Extraordinary debits | 352 | 540 |
| Profit | 41 | *68 |
| Dividends | 185 | 191 |

* Loss.

The chairman says the satisfactory profits to date continues, particularly in the hand tools company and in Canada.

The performance of the industrial company in Sheffield has been satisfactory in the light of the generally depressed level of activity in the engineering and steel industries. In France and in the U.S. the trading results have been below expectations.

During the first half, the outstanding 60 per cent of the Australian subsidiary, Spear and Jackson Holdings, was sold. The amount realised was £753,000, giving a loss on sale of some £314,000, which has been charged as an extraordinary item for the first half.

The group's cash position has improved considerably in the first half year, in part as a result of this sale.

### ● comment

Spear and Jackson might produce record profits in 1978, but after the nasty surprise last year when second half profits tumbled, the market is bound to adopt an attitude of "wait and see." Interim profits are showing a recovery over the second half of last year but even so they are still 13 per cent down on the comparable period. In Canada, where S and J is selling tools to the timber industry, profits have shot up from £65,000 to over £200,000, partly reflecting the expansion into the eastern producing areas, and at home the consumer side has experienced good business, but the industrial tools division is still at a low ebb. Profits here are no better than the second half of 1977—about £200,000—against £448,000 for the comparable period. Meantime, both the U.S. and French divisions are down because of margin pressures in the former and poor demand in the latter, and the low profit Australian business has finally been sold at a loss. On a brighter note borrowings are continuing to decline—last December they equalled £6.6m against shareholders' funds of £7.4m. At 138p the prospective p/e (assuming £1.6m pre-tax) is around 10 but the major prop is the 10.4 per cent yield, without any increase in the payout.

## Tilbury Contract. improves

PROFITS before tax of Tilbury Contracting Group improved from £892,000 to £959,000 in the first half of 1978 on turnover up 26 per cent from £16.31m to £20.65m.

Construction orders taken in the first half were significantly higher than in the same period last year despite intensely competitive conditions, the directors say. Better figures were also achieved in housing development.

Earnings per share are shown at 23.38p against 21.97p—the interim dividend is again 6p. Last year's total was 20.040079p from pre-tax profits of £2.11m.

Profits in the UK for the full year are unlikely to be materially different from those achieved in 1977, says the board. In Nigeria, good progress has been made on the Ibadan ring road project contract, despite the many difficulties.

The first half excludes the trading results of the Nigerian company which shows profits of £220,850 for the year to April 30, 1978, against £192,180 for the period to April 30 last year. No decision has yet been made as to the appropriate accounting policy to be adopted in the annual accounts in respect of the Nigerian associate.

The first dividend from Nigeria of £97,843 net of local tax was received in the UK on August 18.

## Record by Ferry Pickering

AS FORECAST in April, Ferry Pickering Group, printer, packer and publisher, maintained progress in the second half of the year to June 30, 1978, after a rise in taxable earnings from £335,000 to £421,000 at midyear. The company finished the 12 months with record profit of £955,752, against £785,905, on sales up £1.08m at £5.76m.

Stated earnings per 10p share before extraordinary gains of £16,022 (£154,779), improved to 10.677p (8.732p) and a net final dividend of 1.5931p effectively raises the total to 2.8431p (2.546p).

The extraordinary credit related to a surplus of £16,022 (£134,519) arising from a fire insurance claim. Last time there was also a credit of £51,417 following overprovision for tax on property sale proceeds from the previous year and £31,167 was written off the cost of property acquired during the period.

## £9m underwriting loss holds Eagle Star to £19m midterm

A MASSIVE underwriting loss in the first six months of this year amounting to £9m resulted in the pre-tax profits of Eagle Star Insurance declining to £18.9m from £19.5m for the corresponding period last year.

A 22 per cent rise in investment income to £23.1m and a 70 per cent increase in the profits of industrial holding company subsidiary Grovewood Securities to £4.8m was not sufficient to offset the underwriting loss which is two and a half times that of 1977. In addition, the company paid out an extra £1.2m for contributions to staff pension funds and other items.

The company is the most UK orientated of the major composites and thus the adverse experience in the UK has hit the company more severely than the others. Most of this loss came from the householder account, a feature common to all composites, and surprisingly the motor account. Underwriting losses in the region of £3m-£4m were experienced on both accounts.

The company was affected by last winter's severe weather conditions but offset most of the loss through reinsurance. The main attributable factor to the loss on the householder account is underinsurance. The company has now introduced hte index linking of sums insured and premiums and feels that once this system becomes fully operative it will go a long way to eliminating the substantial losses.

On the UK motor account the company has experienced a rising number of claims well in excess of those anticipated. Motor premium raes were increased by 15 per cent on July 1, 1978, so underwriting losses should be halted during the second half of the year. There was a modeste loss on liability business, mainly employer's liability, while the engineering division made a profit.

On overseas business, the overall loss was similar to the first half of 1977. There were excellent results in South Africa, but the experience in Australia deteriorated markedly. The company is being very selective in its business in this territory. In the U.S., the company's new subsidiary, Eagle Star of America, broke even. Belgium again produced a loss.

The rise in investment income over the period reflected the large scale purchases of high yielding gilts made early in 1977. Thus the increase during the second half of the year is not likely to be of the same order. The company is investing more of its non-life funds in equities this year. The increase in profits of Grovewood Securities arises in part from a change in pattern to a more even distribution. In previous years the bulk of profits came in the second half, so a similar increase is not anticipated for the whole year.

The interim dividend is lifted from 3p per 25p share to 3.35p. Last year a 3.1262p final was paid on profits totalling £43.5m. An additional 0.0474p is also to be paid for 1977.

In the life side new sums assured for the six months totalled £1.16bn against £577m last time, with £981m in the U.K. The increase in new UK single premiums was 31 per cent and yearly premiums 63 per cent.

Directors say the increase in new business mainly reflects retirement pension business on both a group and individual basis. There has also been a marked increase in new ordinary business both for savings contracts and policies providing protection benefits.

Sir Denis Mountain, chairman of Eagle Star . . . householder and motor losses.

| | Half year 1978 £m | 1977 £m |
|---|---|---|
| Premium income | [illegible] | [illegible] |
| Investment income | 23.1 | 18.9 |
| Grovewood Securities | 4.8 | 2.8 |
| Assocs. | 0.2 | 0.8 |
| Underwriting loss | 9.0 | 3.4 |
| Shareholders' life profits | 4.6 | 3.5 |
| Contributions to pension funds, etc. | 4.3 | 3.1 |
| Surplus before tax | 18.9 | 19.5 |

‡ Excluding life.

### ● comment

Eagle Star, being the most UK orientated of the composites, has naturally been the most affected by the adverse conditions affecting UK insurance accounts. But an underwriting loss nearly treble that of last year is well above average for the industry. On the householder account the company is caught in the middle of its campaign to index link sums insured and premiums. On September 1, 1977, it launched its campaign in the usual fashion by giving policyholders a free increase in cover which would have its maximum impact during the first half of this year. Now the company should get the benefit of higher premiums as policyholders renew their contracts. The loss on the motor account, attributed to bad weather giving rise to higher claims frequency, is far higher than other major motor insurers have experienced. But the premium uplift on July 1 should curtail these losses. Overall, the second half should show a much better picture. It could hardly be worse and a slight improvement on last year's pre-tax of £43.5m is looked for. The share price shed 2p to 147p for a prospective yield of 7 per cent.

## John Menzies climbs by £0.29m

GROWTH IN taxable earnings from £858,000 to £1.15m was achieved by John Menzies (Holdings), wholesale and retail newsagent, bookseller and stationer, in the half year to July 29, 1978. Sales advanced more than £10m to £88.69m.

Profits for the second half are also expected to exceed the corresponding period of 1977-78 when the full-year total jumped from £3m to a record £4.94m, the directors state.

As always performance is dependent on the vital Christmas trading which they say should prove successful in the absence of fiscal change.

The net interim dividend is lifted to 1.275p compared with an equivalent 1.1635p, and there is an additional payment of 0.015p following the cut in tax rate.

The Board says that in due course it will consider the rules applying to dividend limitation and expect to recommend a final payment to bring the total for the current year to a minimum of 2.815p (2.3485p) or more if permitted.

Tax at halftime took £595,000 (£454,000) for a net balance of £550,000 (£404,000). There were extraordinary credits this time of £114,000 (debit £190,000).

### ● comment

Half-time profits at Menzies are up by a third thanks to a buoyant performance from the retailing division. The much larger newspaper and magazine wholesaling operation saw a small setback in profits because of disruptions to supplies and the low level of cover price increases. The upturn in consumer spending has obviously had a material bearing on the larger high street sites though there is some added benefit of physical growth but this is fairly small in relation to the figures with sales area probably little more than 5 per cent higher than a year ago. For the second half the outlook for consumer spending in the important Christmas period looks encouraging though the wholesaling division could again be the laggard with further pressures on margins developing. Yet in the final analysis it will be the level of Fleet Street disruptions which is the important factor for wholesaling. Even so the full year could produce profits around £6m pre-tax indicating a prospective p/e of 10.3 at 200p and a yield of under 2 per cent. At that level the rating is solid enough, but not particularly inviting for potential buyers.

### SHARE STAKES

R. Paterson and Sons: Mr. W. Armstrong has sold 40,000 shares.

Gripperods Holdings: Mr. J. L. Cowan has purchased 115,941 shares. Mr. J. F. Young has purchased 60,000 shares and Mr. D. H. G. Lewis has purchased 8,750 shares.

Crystalate (Holdings): DWEK Group has disposed of 937,499 ordinary shares (7.44 per cent).

Hambros Investment Trust: A subs of Hambros Limited, has acquired 178,879 ordinary shares. As a result of this purchase, Hambros Limited and its subs are beneficially interested in 2,252,924 ordinary shares 8.44 per cent.

## Leadenhall Sterling stronger

FURTHER PROGRESS was attained by Leadenhall Sterling, a subsidiary of British and Commonwealth Shipping Company, in the first half of 1978. On turnover ahead from £3.07m to £4.35m taxable profit rose £111,000 to £404,000.

The second-half results are expected to show a modest improvement on the first six months says Mr. I. T. Henderson, the chairman. Last year profit was a record £644,000.

Earnings per 25p share for the half year were up 3.3p at 11.4p. A net interim dividend of 1.98325p (1.66p) is to be paid with a supplementary payment in respect of 1977 of 0.03675p, following change in tax rate, at a total cost of £40,713.

At this time the directors say they see no reason why they should not be able to recommend a gross final 10 per cent higher than the 3.67515p gross last time.

A professional revaluation of the group's freehold and long leasehold properties at September 1, 1978, amounted to £742,000, showing an excess over book value of £350,000.

After tax of £171,000 (£128,000) the net balance came out at £233,000 (£165,000).

## Merchant banks to go it alone in Singapore

Standard Chartered Bank and Arbuthnot Latham and Co have agreed in principle to disengage from their joint merchant banking venture in Singapore, Chartered Merchant Bankers, and to operate separate institutions.

It is intended that the name of Chartered Merchant Bankers will be changed to Arbuthnot Latham Asia with Mr. John Dick the managing director, as at presents. This company will continue to provide banking services, corporate financial advice and portfolio investment management service in the ASEAN region.

Meanwhile, the Monetary Authority of Singapore has granted a merchant banking licence for Standard Chartered to establish a new wholly owned subsidiary to be called Standard Chartered Merchant Bank Asia. The new merchant bank will have an issued share capital of Singapore $20m and will concentrate initially on providing corporate financial advice and on Euro-currency business in the ASEAN region. The managing director will be Mr. B. FitzGerald, currently managing director of Standard Chartered Australia.

## Burmah sale raises queries in Australia

The proposed sale by Burmah Oil of its Australian oil and gas exploration and production interests could run into difficulty following questions on the deal raised by other shareholders.

Burmah is planning to sell one of its Australian subsidiaries Burmah Australia Exploration, to a group headed by the Bond Corporation in a deal worth A$36m (£21m).

The assets held by this subsidiary are a 37.5 per cent interest in Santos, a 30.9 per cent interest in Basin Oil and a 67 per cent interest in Reef Oil. These three companies are all engaged in oil and gas exploration and production in the Cooper Basin, South Australia. Together they control [illegible] per cent of the Cooper Basin joint venture.

Gas production from this area is supplied to Adelaide and Sydney.

The directors of Santos have now held discussions with the Adelaide stock exchange over Burmah's proposed sale of shares in the company.

They said several aspects about the deal were unclear and inquiries would continue to ensure that the interests of all shareholders were protected.

Under the rules of the Adelaide stock exchange any shareholder selling control of his stock must receive an undertaking from the buyer that he will make a comparable offer to all other shareholders.

Santos directors said that it did not appear that Burmah had received any such undertaking from Bond Corporation.

However, Burmah said in the UK last night that it was not aware of anything that would affect the proposed deal.

## OIL AND GAS NEWS

## Shell Canada to build $4bn oilsands plant

SHELL CANADA will soon seek the permission of the Alberta Government to build an oilsands plant in the province, Mr. William Daniels, the president said in Fort McMurray.

The cost of the plant would be $4.1bn and have a capacity of 135,000 barrels a day. This output would be similar to that of the tarsands plant operated by Syncrude Canada.

But the capital cost of the plant will be double that of Syncrude's owing to the effects of inflation and the devalued dollar, Mr. Daniels added.

Shell plans a start to construction in 1981. The plant will take five years to build.

* * *

The Angolan Government plans a joint venture with private sector companies, including Gulf Oil, to expand oil exploration in the country, according to Mr. Artur Queiroz, an official at the embassy in Lisbon.

A recently adopted law enabled Sonangol, a state company, to take a 51 per cent stake in a consortium to be formed with Cabinda Gulf and other groups, he said. Cabinda Gulf is already producing oil for Angola in the coastal enclave of Cabinda, and this activity will not be affected by the new venture.

Mr. Queiroz explained that exploration would take place in designated areas, but was not specific about exact locations.

* * *

The Philippines Government has refused to comment on local newspaper reports, based on industry sources, that the newly discovered Nido oilfield near the island of Palawan would be exhausted in five years.

Nido is expected to start production next year at a rate of 40,000 barrels a day, thus meeting about 15 per cent of Philippines domestic needs. The field is operated by a consortium headed by Philippines Cities Service.

* * *

North Broken Hill and Beach Petroleum have reached agreement with a contractor for the drilling of Colson No. 1 well in OP 177, a block in the Simpson Desert of Australia's Northern Territory. Work will start late next month.

On completion of the well, NBH will have earned a 25 per cent interest in this exploration area.

## DIVIDENDS ANNOUNCED

| | | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|---|
| Antony Gibbs | int. | 0.72 | Nov. 17 | 0.72 | — | 2.19 |
| Brixton Estate | int. | 1.39 | Nov. 4 | 1.25 | — | 1.91 |
| Burns-Anderson | | 1.22 | Nov. 6 | 1.1 | 1.62 | 1.45 |
| Charnos | | 1.06 | — | 1.06 | 1.06 | 1.06 |
| Dickinson Robinson | int. | 2.81 | Nov. 6 | 2.55 | — | 7 |
| Eagle Star | int. | 3.35 | Jan. 12 | 3 | — | 6.13** |
| Ferry Pickering | | 1.59 | Nov. 13 | 1.42* | 2.84 | 2.55* |
| G. T. Japan Trst. | | 1 | — | 0.5 | 2 | 1 |
| Hamilborne | int. | 0.5 | Nov 10 | 0.5* | — | 0.83* |
| Harris and Sheldon | int. | 1.58 | Nov. 9 | 1.41 | — | 2.97 |
| Hestair | int. | 2.36† | Jan. 2 | 2.11 | — | 6.26 |
| Hoskins and Horton | int. | 1.69 | Oct. 31 | 1.51 | — | 5.17 |
| J. Dickie | int. | 2.44‖ | — | 2.19 | — | 4.37 |
| John Menzies | int. | 1.28†† | Jan. 8 | 1.16* | | 2.35 |
| Kleinwort Benson | int. | 1.8 | Nov. 10 | 1.65 | — | 4.125 |
| Laporte | int. | 3.02† | Nov. 27 | 2.71 | — | 6.77 |
| Leadenhall Sterling | int. | 1.98 | Jan. 3 | 1.66 | — | 4.12§ |
| Lon. & Man. Assur. | int. | 2.77 | — | 2.52 | — | 6.48 |
| Molins | int. | 2.2 | Nov. 15 | 2 | — | 7.15 |
| Plantation | 2nd int. | 0.4 | Nov. 15 | — | —‡ | 2.18 |
| Rowntree Mackintosh | int. | 4.5† | Jan. 4 | 2.75 | — | 8.17 |
| RTZ | int. | 3.5 | Jan. 2 | 3.5 | — | 9.5 |
| Spear and Jackson | int. | 3.58 | Jan. 5 | 3.58 | — | 9.38 |
| Tate and Lyle | 2nd int. | 6.35 | Nov. 7 | 6.35 | — | 13.14 |
| Tilbury Contracting | int. | 6 | Oct. 19 | 6 | — | 20.04 |

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Making 1.072p so far. § Includes additional 0.03675p. ¶ Additional 0.03742p for 1977. ‖ Additional 0.033p for 1977. ** Additional 0.0474p for 1977. †† Additional 0.015p for 1977.

هكذا من الأصل

# Slow first quarter leaves DRG £2.9m down so far

AFTER A first quarter shortfall, pre-tax profit of Dickinson Robinson Group ended the first half of 1978 down from £12.55m to £9.67m from turnover up from £216.14m to £219.84m.

Mr. J. S. Camm, the chairman, says the first quarter downturn was in part due to low levels of demand, particularly in packaging, and in part to industrial disputes.

Profitability improved in the second quarter however, when the disputes were over and demand increased. The improved trading level in packaging is being maintained and there is a firm order book for both domestic and office consumer goods.

Although the fine paper and board mills are showing gradual improvement, they are still a long way from achieving an acceptable return on investment, he says.

The engineering businesses continue to trade satisfactorily, and overseas results in the period were considerably better.

There has been an encouraging recovery in Canada, while in South Africa there has been an improvement in demand in most operations which has resulted in a higher level of profitability. Progress continues in Australia and further improvement is expected. The New Zealand operations recorded similar results to last year.

The profit is subject to tax of £4.53m compared with £6.37m previously and earnings per 25p share are shown down from 6.893p to 5.472p.

The interim dividend is up from 2.532p net to 2.808p. Last year a 4.448p final was paid on profits totalling £21.87m.

During the half year there was a £2.25m cash outflow attributable to second quarter increase in UK working capital.

| | Half year 1978 £000 | 1977 £000 |
|---|---|---|
| Turnover | 219,844 | 216,141 |
| Sales | 194,115 | 190,337 |
| Trading profit | 10,944 | 14,482 |
| UK | 6,942 | 11,997 |
| Overseas | 4,002 | 2,485 |
| Assoc | 310 | 562 |
| Interest payable | 1,780 | 2,497 |
| Profit before tax | 9,673 | 12,548 |
| UK tax | 2,880 | 5,200 |
| Overseas tax | 1,665 | 1,170 |
| Net profit | 5,129 | 6,178 |
| Minorities | 598 | 407 |
| Leaving | 4,531 | 5,771 |

## ● comment

DRG's half-time figures are very closely in line with market expectations but there is a more encouraging flavour about the interim report. The overseas divisions have come good with a 60 per cent rise in trading profits and the group's stationery and consumer products side is showing increasing strength into the second half. Packaging has recovered from the low levels of late 1977 but the trend now seems to be flat and DRG, like Bowater and Bemrose, has been disappointed by the failure of higher consumer spending to feed through to its carton sales. With £2m lost through industrial disputes at the beginning of this year profit margins were down to 4.4 per cent from 5.8 per cent but in the paper business relatively small volume growth of sales can have a substantial effect on profits. If the fine paper and paper cups divisions break even this year DRG's pre-tax profits could be in the £24m-25m range for 1978 as a whole against £21.9m last year. At 136p the shares yield a prospective 8.6 per cent on a p/e of around 9.4 assuming a 46 per cent tax charge.

## F. & C. EUROTRUST

Net earnings of F. and C. Eurotrust rose from 1.04p to 1.14p per 25p share for the year ended June 30, 1978. In yesterday's report this year's figure was incorrectly shown as 1.4p.

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

**TODAY**

**Interims**—Brown Boveri Kent, Chersonese (F. M. S.) Estates, City Hotels, Delta Metal, Gresham House Estate, Hall Engineering, Leyland Paint and Wallpaper, London and Holyrood Trust, London and Provincial Trust, Hugh Mackay, Harold Perry Motors, Ransomes Sims and Jefferies, Selection Trust, Stag Furniture, Stone-Platt Industries, United Newspapers, Wadkin, Wilkinson Warburton, Winn Industries.

**Finals**—Dowding and Mills, Lister, Malaysian Tin, Nolton, Reabrook Investment Trust, Roan Consolidated Mines.

**FUTURE DATES**

| | |
|---|---|
| **Interims—** | |
| APV | Sept. 28 |
| Alva Investment | Sept. 27 |
| Cakebread Robey | Sept. 29 |
| Hambro Life Assurance | Sept. 29 |
| Hiltons Footwear | Oct. 4 |
| Lane (Percy) | Oct. 2 |
| Maclellan (P. and W.) | Sept. 29 |
| Office and Electronic Machines | Sept. 26 |
| Sparrow (G. W.) | Oct. 6 |
| **Finals—** | |
| Charterhall | Sept. 28 |
| Prestwich Parker | Oct. 12 |
| Sizewell European Invest. Trust | Sept. 26 |

## James Dickie little changed at six months

In line with the projection made in its last annual report, pre-tax profits of James Dickie and Co. (Drop Forgings) were little changed at £192,669 for the six months to April 30, 1978, compared with £211,342 last time.

*When reporting on 1977 taxable profits of £396,000 (£403,000), the directors said that unless there was a drastic reduction in demand as the year progressed, current year results should be in line with those for 1977.*

Half yearly turnover rose from £1.67m to £2.02m and trading profits improved from £167,642 to £185,412, but directors warn that this trend has not continued and say it is difficult to make any firm forecast for the second six months.

In addition, mainly as a result of the investment of the company's funds in the construction of its foundry extension, there has been a substantial reduction in the amount of interest received—at the half-year, this was down from £43,700 to £7,257.

Tax for the period takes £100,189 (£109,897) leaving net profits of £92,480 against £101,445. The interim payment is raised from 2.185p to 2.438p net per 25p share and an additional 0.032p is to be paid for 1977 following ACT reduction. The directors expect the dividend level will be maintained—last year's final was 2.185p.

## Tate & Lyle maintains second interim

An unchanged second interim dividend of 6.35p per £1 share is declared by the directors of Tate and Lyle for 1978. The first interim was increased from 2.79p to 3.1p.

In their interim report, the directors said that the policy of maintaining dividends remained unaltered. However, the poor first-half results—profits were well down from £24.9m to £11.1m—reflected continuing depression in international trade and the effect on the group of the large world sugar surplus.

In 1977, a total dividend of 13.14p was paid and included a 4p final. Pre-tax profits amounted to £40.53m.

## Charnos advances to £0.61m

FOR 1977 pre-tax profit of the privately owned Charnos jumped from £227,346 to £607,476 on turnover ahead from £12.5m to £14.51m. The group has begun the current year with first-half sales well ahead of those for 1977.

Mr. R. Noskwith, the chairman, says 1977 was a difficult year for its Northern Ireland hosiery operations with depressed margins and delays in gaining the benefits from reorganisation. There have, however, been significant improvements in 1978.

Substantial capital investment is planned in Northern Ireland which will also spill over into the yarn texturising operations. Profitability is also expected to improve with the Government decision to bring electricity prices in Ulster in line with the rest of the UK.

During 1977 the group closed its knitting operations at the Peterlee factory, which has now been taken over by Charnos Garments, a company owned by three directors of Charnos.

The lingerie division maintained its position in the year while in the knitwear operations, an improvement in production has coincided with a serious shortage of orders.

The profit for the year came out at £367,088 (£188,581) after tax of £231,388 (£38,765) and earnings per 25p share are shown ahead from 8.16p to 17.58p. The dividend is held at 1.05625p.

## W. G. Allen in strong position

Although group borrowings increased by £442,000 to £879,000 during the year to March 31, 1978, the financial positon at W. G. Allen and Sons (Tipton) remains strong, says Mr. T. C. Frankland, the chairman, in his annual statement.

Total borrowings only amount to 22 per cent of shareholder's funds of £3.97m (£3.63m), which have been increased by a transfer of £427,000 from the provision for deferred tax in accordance with ED19, he states.

As reported on August 11, mixed fortunes in its two divisions left pre-tax profits down from a peak £827,000 to £496,000, on utrnover for the year of £8.99m against £6.28m.

On a CCA basis using the Hyde proposals, pre-tax profit is reduced to £352,272, after adjustments for depreciation of £42,000, cost of sales £103,000, less gearing of £6,000.

The chairman reports that higher borrowings resulted from lower than anticipated production at Tipton at a time of year that is normally a period of high output, which had an adverse effect on cash flow.

Meeting, Dudley, September 26, noon.

Freddie Mansfield

Mr. David Hargreaves, chairman of Hestair . . . sharp drop in first half earnings to £0.4m, but the future looks brighter (see Page 23)

## Molins jumps to £5.1m in first half

WITH ITS paper and packaging machinery operations turning round from a £0.5m loss to a £0.6m profit and the tobacco machinery contribution up £1.1m to £5.3m, taxable profits of Molins jumped from £2.8m to £5.1m in the first half of 1978.

Sales for the period were £52.1m against £43.4m, with the tobacco share at £36.7m (£30.4m) and paper and packaging at £15.4m (£13m).

Sir Harry Moore, the chairman, says the tobacco machinery improvement came as a result of the consolidation of market leadership in cigarette making machinery and the accelerating benefits from the reorganisation and re-equipment programmes of the major UK operating units. Competition remains strong, he says, particularly in the hinge lid packing machines.

As anticipated the Indian subsidiary made a loss in the period but is expected to produce satisfactory overall profits. The Brazilian contribution improved as a result of the easing of production difficulties associated with new products, while the U.S. operation continued to perform well.

In paper and packaging, the U.S.-based Langston subsidiary significantly increased its profit despite severe competition and a low level of activity. In the UK, Masson Scott Thrissell returned a small trading profit against a loss last time. Sir Harry says the increased effort in product development in both companies is beginning to show results.

He says the group is well placed to match the forecast of an improvement on last year's £8.3m pre-tax profit. Directors expect the result to reflect a more even apportionment of profits between the two halves of the year.

Net profit came out at £2.5m (£1.3m) after UK tax of £2.2m (£1.3m) and overseas tax of £0.4m (£0.2m). Earnings per 25p share are shown at 8.9p against 4.7p last time.

The interim dividend is up from 2p to 2.2p net.

### ● comment

Molins is beginning to see the benefits of radical changes in its previously depressed paper and packaging side. Last year the group alowed market share to slip as competitors took over the technological lead. Labour costs, however, have now been trimmed and much work has been devoted to better products, helping overall profits to climb 80 per cent in the first half. This result should, of course, be seen against last year's poor performance but full year profits this time should beat the 1976 record (£10.9m) by at least £1m. Aiming at the top end of the market is a strategy also applied to the more important tobacco machinery side. Here, Molins is still probably the world leader and prospects for steady expansion look impressive. The second six months may not see such rapid growth (a new machine is being introduced) but developing countries provide plenty of scope for the future and replacement parts are still a profitable area in more health-conscious markets. Even so, paper and packaging probably hold the longer term key in the way of acquisitions: in the meantime there is plenty of room for improving the return on current capital. At 148p the shares are on a fully taxed prospective p/e of 5.6 and a yield of 8 per cent.

# Stagnant trading cuts Laporte to £4.7m midway

WITH THE stagnant trading conditions of the latter part of 1977 continuing into the early months of the current year, pre-tax profit of Laporte Industries (Holdings), specialist chemicals group, fell from £7.03m to £4.72m for the six months to July 2, 1978.

The situation showed an improvement towards the end of the half-year but general trading conditions coupled with constantly moving exchange rates make it difficult to predict the results for the full year, says the chairman, Mr. R. M. Ringwald.

Directors are hopeful, however, that the worst of the depression affecting the world-wide chemical industry is now behind them, he adds.

Earnings per 50p share are shown down from 8.56p to 4.65p and the interim dividend is raised from 2.700p to 3.02177p. Last year's net total was 6.765p a share paid on a pre-tax profit of £10.24m.

Sales in the half year rose from £74.86m to £80.58m including an increase in the attributable share of the principal Interox companies from £24.53m to £27.05m.

Trading profit, however, fell from £7.99m to £6.12m and after taxation down from £3.69m to £2.54m net profit was reduced from £3.34m to £2.17m.

Market conditions for the sale of titanium dioxide continue to be difficult but international prices have recently hardened and this improvement has enhanced sales revenue and the realisable value of current stocks of titanium dioxide.

| | Half-year 1978 £000 | 1977 £000 |
|---|---|---|
| Sales | 80,577 | 74,559 |
| Laporte group | 53,531 | 50,334 |
| Principal Interox | 27,046 | 24,525 |
| Trading profit | 6,120 | 7,991 |
| Laporte | 1,485 | 3,538 |
| Interox | 4,117 | 4,028 |
| Other assoc. | 519 | 433 |
| Interest | 1,404 | 965 |
| Profit before tax | 4,716 | 7,026 |
| Tax | 2,544 | 3,687 |
| Net profit | 2,172 | 3,339 |
| Extraordinary loss | 45 | 57 |
| Pref. dividends | 16 | 16 |
| Attributable | 2,111 | 3,286 |
| Ordinary dividends | 1,399 | 1,271 |
| Retained | 712 | 2,015 |

Trading conditions in phthalic anhydride have improved but the fluorspar business is suffering from world over-capacity.

All other product groups performed well and the peroxygen business (Interox) is holding well in spite of demand not being particularly buoyant.

### ● comment

Laporte is starting to recover from the £7m pre-tax profit slump seen in the second half of last year. It has been helped by a relatively weak pound in the first quarter of 1978 and higher titanium dioxide prices which began to filter through in the second quarter. These higher prices have resulted in a sharp reduction in stock losses which last year totalled £1.1m. But even allowing for these better prices and marginally brighter prospects for the chemical industry, it is still difficult to understand the market's decision to push the price 6p higher to 127p at this stage. It is likely that Laporte's final figure will be marginally better than the £10.2m record last year but this would still give a prospective p/e of 11.5 which is well above the sector average of 8.7. But, assuming maximum dividend increase the yield at ... per cent is a reasonable prop.

# Halfway dip at Brixton Estate

FOR THE first half of 1978 taxable profit of Brixton Estate declined from £1.17m to £1.12m. Last year's figures included a £147,000 dealing profit.

For the period net rental income totalled £3.34m (£2.56m) while other income was £2,000 (£2,000). Under outgoings, rent and interest of developed properties was £1.85m (£1.19m) while other costs were £0.37m (£0.34m).

Directors say gross interest on current developments which will be the subject of a transfer from the capital reserve was £587,000 against £1.19m last time. Interest and outgoings on developments temporarily suspended and not included in results totalled £55,000 (£103,000) in the period.

Since the half-year end the company has made a dealing profit of £345,000.

The interim dividend is up from 1.2478p to 1.3931p and will absorb £405,453 (£443,671). Last time a 0.6617p final was paid on profits of £2.28m.

In the UK, development continues on its 100-acre Dunstable industrial estate, with buildings completed or under construction now totalling more than 1m sq. ft. Several office blocks have been acquired for refurbishment, including a 15,000 sq ft building in WC, and a 10,000 sq ft building in Birmingham.

In Europe, the 120,000 sq ft office block in Avenue Louise, Brussels, is virtually fully let, while its 160,000 sq ft furniture hypermarket is now complete and the tenant is trading.

In Germany its 12-acre estate at Erkrath has been fully developed with all 254,000 sq ft of warehouse space let. Negotiations are underway for the purchase of further land in the Dusseldorf area.

The letting of its 178,000 sq ft office building in Melbourne, Australia, is making excellent progress, the directors say.

In general they say the upturn in the UK property market has continued in 1978 with the number of letting inquiries encouraging.

The group has adequate funds to purchase suitable schemes for development, and is extending the terms of existing loan facilities and reducing interest margins wherever possible.

Hammill Brick Eastry, had a better first half-year. A programme of reorganisation and capital expenditure is now nearly completed and the benefits are already being demonstrated. It is hoped that Hammill Brick will achieve record profits this year.

The company is now controlled by Ferguson Securities.

It was also announced yesterday that Mr. Graham Ferguson Lacey had resigned from the Board of Yorkshire and Lancashire Investment Trust. The move follows the sale last month of a 29.67 per cent stake in Yorkshire and Lancashire by Hamilbourne, the brick manufacturer in which Mr. Ferguson Lacey's master company Ferguson Securities has a 51 per cent holding.

## G.T. Japan Trust down

From total income ahead from £640,157 to £969,527 pre-tax profit of G. T. Japan Investment Trust fell from £220,051 to £202,412 in the June 30, 1978 year.

Management expenses and interest payable were well up from £420,106 to £767,115. Tax takes £99,791 (£116,660) and earnings per 25p share are shown at 2.83p diluted and 2.05p (2.4..) undiluted. Net assets per share are shown at 214p (165p) fully converted.

The final dividend of 1p doubles the total to 2p.

## Midway fall for Antony Gibbs

Results of Antony Gibbs Holdings for the first half of 1978 are below those for the corresponding period last year, the directors report.

In particular, the Australian subsidiary continues to find trading difficult in the depressed local market, although an improved trend has developed in recent months.

The directors have declared an unchanged interim dividend of 0.715p per share, but are unable at this stage to indicate what the final dividend will be.

Last year, a total of 2.19615p was paid. The group trades as a merchant banker and timer product maker.

## Dowty Group expands in Australia

As part of Dowty Group's growing business and industrial activity in Australia, Dowty Equipment (Australia) Pty. at Wollongong, New South Wales, has been re-named Dowty Technical Services Pty.

This company will provide technical services in Australia on behalf of all UK-based Dowty Group companies and of their Australian agents, licencees and subsidiaries. In addition, it will provide consulting services to existing and potential customers.

## U.S. Debenture Corporation at £1.45m

Attributable profit of United States Debenture Corporation for the July 31, 1978 half year was £1,448,254. Gross income for the year was £2,546,946 and the attributable profit is after corporation tax of £158,560 and overseas tax of £79,987.

As previously reported the interim dividend is unchanged at 1.15p. The net asset value per 25p share is shown at 126.4p. For all last year net revenue totalled £2.59m and a 2.37p final dividend was paid.

| | Half-year 1978 £ |
|---|---|
| Gross revenue | 2,546,946 |
| Franked investment income | 1,906,872 |
| Unfranked investment income | 584,838 |
| Other income | 55,636 |
| Less: Interest | 72,109 |
| Expenses | 102,880 |
| Tax* | 634,955 |
| Corporation tax | 158,560 |
| Overseas tax | 79,987 |
| Pref. dividend | 14,371 |
| Net revenue | 1,448,254 |
| Ord. dividend | 781,5[illegible] |

* On debenture and loan stock. * On franked investment income.

## Hamilborne down so far

After slumping to £74,000 pre-tax loss in the second half of 1977, earnings at Hamilborne for the first half of 1978 were £10,412 compared with £104,047 in the same period last year.

Turnover of this brickmaker was £316,267 (£244,126) and after tax of £5,400 (£33,323) net profit was £5,012 (£76,724). Earnings per share are given at 0.16p against an adjusted 2.25p, and the interim dividend is unchanged at 0.5p. An adjusted 0.33485p final was paid last year.

Directors say the profits do not include any of the profit amounting to approximately £19,000 since realised on the sale of the company's shareholdings, and in particular its substantial holding in Yorkshire and Lancashire Investment Trust.

The company's subsidiary,

# Plantation down at £1.3m halftime—outlook brighter

A DIFFICULT first half year has been experienced by Plantation Holdings in 1978 with pre-tax profits at £1.27m against £2.52m. However present indications are that the second six months will show a marked improvement—pre-tax profit last year totalled £4.13m.

In Malaysia crops of both palm oil and rubber were lower than of late, due to unfavourable climatic conditions in the recent past, the directors say.

For the UK companies, a lower order intake together with delayed customer scheduling affected the half-year results, together with a loss in the light engineering division where the problems are being steadily corrected.

Orders in the UK companies are now running at an annual rate of over £30m, some 24 per cent higher than for the same period of last year. In the data communications and video communications areas, the present outlook is particularly buoyant.

Following the introduction of further dividends restraint, the special dividend of 0.67p declared in July will now have to be regarded as a first interim and become part of the total dividend for 1978.

The directors have declared a second interim of 0.402p. This will maintain a reasonable balance between the payment comprising the special dividend with the second interim dividend taken together and the final dividend to be declared in April and paid in May next year. The payment last year was a single 2.1785p interim.

Earnings per 10p share in the first half are shown as 1.3p against 3.2p.

| | Half year 1978 £000 | 1977 £000 |
|---|---|---|
| Trading profit* | 1,429 | 2,254 |
| Rubber | 318 | 424 |
| Palm oil | 675 | 1,049 |
| Light eng. loss | 284 | 71† |
| Scientific instruments | 459 | 600 |
| Consumer and video | 306 | 342 |
| Capital costs | 30 | — |
| Interest | 150 | 71 |
| Profit before tax | 1,279 | 2,523 |
| UK tax‡ | 242 | 480 |
| Overseas tax | 514 | 747 |
| Net profit | 523 | 1,296 |

* After central administration costs. † Profit ‡ Including ACT written off.

The activities of Trend in data communications are showing continuing growth with a strong order book which should produce more favourable results in the second half, a shortfall in orders for early delivery having affected the first half performance.

Bryans Southern Instruments had a record half year for its recording instrument sales, with operations in France making a substantial contribution.

Townson and Mercer has yet to show its potential, the Board states. It is proposed to use the valuable site acquired with this company to erect a new factory complex to house both Bryans and Townson and Mercer.

Television International has had a very successful half year with expanding demand for its services but Zoom Television experienced intense competition in its commercial and other non-broadcast activities.

Imhof's Retail has had to concede some margin in a competitive market and Superswitch Electric Appliances found consumer demand for its products weaker than anticipated.

Magnetic Components is holding its own in spite of severe Japanese competition for magnetic recording heads in Europe, which caused some reduction in margins.

Imhof-Bedco Special Products and Precision Engineers, where major production problems were encountered in 1977, have yet to return to profitability. New management has undertaken substantial reorganisation which should now begin to have effect. In the remainder of the light engineering division, Imhof-Bedco Standard Products found business buoyant but profit was severely hit by industrial action.

Imhof-Bedco Slides continues to make progress and the I-B Gerard operation in France is being expanded.

Work has continued throughout the half year on the proposal to provide shareholders with a direct interest in the Malaysian operations. As was indicated at the time of the declaration of the special dividend, certain aspects have yet to be cleared and the outcome of a formal application to the Inland Revenue is awaited.

Discussions regarding the approach to acquire Brooklands Estate by an agency of the Selangor State Government are at a very early stage, the directors say.

Shareholders are advised that the approaches which have been received in respect of certain of the estates indicate that the realisable value is appreciably in excess of that shown in the last balance sheet.

# Boardroom row after Camrex drop

A boardroom row has erupted at Camrex (Holdings), paint manufacturers, corrosion engineer and contractor. The split comes to the fore soon after a slump in first-half profits from £1.2m to £31,000.

Mr. Alexander Cameron, former chairman of the company is in conflict with most of the other members of the Board. He states that the split on the board is primarily due to several claims against the company in recent years which have, in his view, harmed its good name. A second reason for the split, he says, is disagreement as to future policy.

Mr. Cameron was voted out of the chair this summer while remaining on the Board. At that time he sought compensation for loss of office. He now states that compensation has been agreed although confirmation of this could not be obtained from the company.

Mr. Cameron says that the Board needs strengthening by the appointment of three non-executive directors who have a proven track record.

Mr. Cameron comes from the family which originally founded the company.

# Company plans 100-jobs boost for Ebbw Vale

Another jobs boost for the Ebbw Vale area—hit by the BSC steel closure programme earlier this year—was announced by the Welsh Office yesterday.

Holman and Beddoes is to take over a 25,000 sq ft Welsh Development Agency factory at Cwmtillery to produce steel fabrications for the mining industry and general engineering products. There are also plans for the design and fabrication of fairground equipment.

The company's plans will provide about 100 jobs after 12 months. It was encouraged to come to the area by a grant under the Government's selective financial assistance scheme.

# Hestair slumps to £0.4m

ALTHOUGH TURNOVER rose £4.52m to £29.67m taxable profit of Hestair slumped from £1.8m to £423,000 in the July 31, 1978 half year. A lower first half profit was predicted in the last chairman's statement.

Mr. David Hargreaves, the chairman, says the downturn was the result of three principal factors.

Firstly, the recession in farm equipment seriously affected every part of its farm equipment division. The recession shows little sign of change in the short term, he says.

The root harvester companies acquired last year were particularly affected because their competitive position was not strong. Action has been taken to bring production in line with demand, and product development has been stepped up.

The vehicle division was also depressed owing to a temporary fall-off in exports which it was unable to replace, despite the home market showing some improvement.

Hestair Toys suffered a further setback, with a loss incurred for the half year.

Mr. Hargreaves says, however, that the future looks brighter, and that the worst is over. Export orders have begun to flow again and inquiries are at a high level. He expects a significant recovery in the second half.

Costs and demand are back in line in the farm equipment division, and the first new products will be launched in December. Positive measures have also been taken to resolve the problems at Hestair Toys.

He says the increase in the interim dividend from 2.112p net per 25p share to 2.3584p is an indication of his confidence of a second half recovery. He expects to keep to the May rights issue forecast of a total of 6.89p net for the year, against last year's 6.2618p.

After tax of £220,000 (£937,000) and minority interests of £4,000 (£19,000) profit came out at £199,000 (£846,000). There were extraordinary credits of £136,000 (£161,000 debit) and after the interim payment of £431,000 (£317,000), the retained deficit is £388,000 (£690,000 surplus). Earnings per share are given at 1.3p against 6.1p last time.

## ● comment

Hestair did warn shareholders at the time of the rights issue in May that profits for the first half were likely to be less than last year. But while shareholders were forking out £3m for the company to buy some property, they can hardly have realised that the fall would be from £1.8m to a mere £423,000. The trouble has been simultaneous downturns in three out of the four divisions. The wholesaling part of the toy division has been outdated and requires surgery, the farm equipment side has suffered from a general downturn and special vehicles have found their Middle and Near Eastern markets falling away. The Middle East was the great strength of Hestair while that area was free-spending and the rest of the world was in recession. But now that has changed the going is much tougher. The shares had already fallen some way this year before these figures and only retreated another 1p to 83p yesterday, sustained by promises of some recovery and the yield of 11.3 per cent.

# New warehouse for Lesney

A NEW £1m warehouse was opened in Peterborough yesterday by Lesney Products, the toy manufacturers.

The warehouse is part of a multi-million pound investment to be made this year by the Lesney group and will mean employment for a further 100 people over the next two years.

The 80,000 sq ft building, which was opened by Sir Christopher Higgins, chairman of the Peterborough Development Corporation, brings the company's premises to 170,000 sq ft, nearly four times the space they started with four years ago. The company said it needed the warehouse space to cope with rapid expansion of its plastic model kit production.

# Lambeth Bldg. Society

Assets of the Lambeth Building Society increased by 10 per cent to £90m in the half year to August 1, 1978, with reserves representing 3 per cent of assets and liquid funds 19 per cent.

The reserves and liquid funds are over double the minimums required for trustee status, the directors say.





# UDT cuts property lending portfolio

AFTER BEING buffeted in the secondary banking crisis of 1974, United Dominions Trust, the finance house group, has been recovering and has now reduced its property lending portfolio to £50m net from an earlier peak of £160m.

Mr. Len Mather, the chairman, told shareholders at the annual meeting yesterday that it was now the aim to hold the total at around £50m. This would be done by making relatively short-term loans for housebuilding, but the group would not return to the longer-term property lending which contributed to losses in the mid-1970s.

UDT, whose main business is in consumer and industrial plant finance, expanded its property loans rapidly in the boom conditions earlier in the decade. But after the secondary banking crisis struck, substantial write-offs were needed; in 1974-75 there were provisions of £21.6m against advances on UK property.

Mr. Mather said yesterday the group still had quite a lot of vacant building plots but that these were now moving rapidly. Houses being built were also selling well, with completions at the rate of about 100 a week. Office property and other blocks which it retained were moving more slowly.

Of future lending policy on the property front, Mr. Mather—a former vice-chairman of the Midland Bank who took over the UDT chair in 1974—explained. "We shall keep on assisting experienced builders to a prudent extent for essential housebuilding."

The group, which made a net profit after extraordinary items of £6.5m in the year to June 30, 1978, has steadily reduced the amount of loans it has from the big banks' lifeboat support group to some £260m, from about £460m at the highest. The shares last night closed 2p up at 48p, equal to their earlier 1978 high; their low this year was 32p.

# Fleming Property Unit

Within the last 18 months the net value of the Fleming Property Unit Trust has doubled to £100.6m. Some £36m of the increase reflects the influx of new money into the trust, which is designed for funds which are totally exempt from tax. However, the remainder comes from an increase in the value of its properties. At the moment some 41 per cent of its assets are invested in office property, 20 per cent in shops, 34 per cent in industrial properties and the remainder in farm land; and the proportion in shop and warehouse property is tending to rise. The next quarterly offer of units in the trust will be at £1,348 per unit.

# Kleinwort Benson down slightly in half year

Results of Kleinwort Benson Lonsdale for the first half of 1978 are slightly below those for the corresponding period of the previous year, the directors report.

BALANCE SHEET

| | June 30 1978 £000 | Dec. 31 1977 £000 |
|---|---|---|
| Bullion* | 177,333 | 175,638 |
| Certificates of deposit | 144,660 | 158,469 |
| Money at short notice | 190,478 | 113,225 |
| Other loans | 261,929 | 149,132 |
| Quoted invest. of bkg. | 27,303 | 23,038 |
| Advances, etc. | 446,500 | 495,063 |
| Leasing assets | 44,003 | 44,289 |
| Portfolio invest. | 33,663 | 33,629 |
| Associates | 3,654 | 4,326 |
| Fixed assets | 6,505 | 8,423 |
| Liability of customers‡ | 200,490 | 196,136 |
| Total | 1,541,317 | 1,438,190 |
| Share capital | 15,592 | 15,592 |
| Reserves | 60,908 | 60,908 |
| Loan capital | 16,443 | 16,362 |
| Deferred tax | 26,156 | 26,135 |
| Current, deposit, etc., accounts§ | 1,221,788 | 1,114,515 |
| Acceptances¶ | 200,490 | 196,136 |
| Total | 1,541,317 | 1,438,190 |

* Balances with bankers, money at call. † With bills discounted and other marketable obligations. ‡ For acceptances. § Including accrued profits, provisions for tax and inner reserves. ¶ On behalf of customers.

The interim dividend is lifted from 1.65p to 1.8p per 25p share and in view of the reduction in ACT, an additional dividend of 0.037427p is to be paid in respect of 1977. The total last year amounted to 4.1202p.

# THOMSON DEALINGS

Dealings started in the shares of International Thomson yesterday. The common shares opened at 300p and in reasonably active trading they touched 308p before easing back to close at 305p. The convertible shares opened up at 232p and closed 8p up at 240p after a high point of 242½p.

# AARONSON—91.4%

Aaronson Bros. announces that 91.4 per cent of the rights issue has been taken up and the balance of 545,319 ordinary shares has been sold in the market. The net price of 2.5374p per share will be distributed to entitled shareholders.

## MINING NEWS

# RTZ still sees profit shortfall in 1978

BY KENNETH MARSTON, MINING EDITOR

AS INDICATED by the interim results already announced by the group's major subsidiaries, lower half-year earnings are reported by Rio Tinto-Zinc. But the net profit of £40.1m, equal to 15.9p per share, is at the better end of estimates. It compares with £42.3m for the first half of 1977 when the year's total reached £82.3m.

The interim dividend is unchanged at 3.5p net, last year's total having been 9.5p.

Looking to earnings prospects for the full year the UK-based international mining and industrial group says that if there is no great change in the exchange rate for sterling and there is no further recovery in metal prices, net profits are expected to be "somewhat lower" than for 1977.

| | First half 1978 £m | 1977 £m |
|---|---|---|
| Group sales revenue | 972.5 | 890.4 |
| Operating profit | 119.2 | 139.3 |
| Shares of associates | 14.0 | 13.5 |
| Dividends and interest | 14.4 | 22.2 |
| Making | 147.6 | 175.0 |
| Interest payable | 25.0 | 28.9 |
| **Profit before tax** | **122.6** | **146.1** |
| Tax | 56.2 | 72.1 |
| Net profit | 66.4 | 74.0 |
| Minorities | 26.3 | 31.7 |
| Attributable | 40.1 | 42.3 |
| Dividends | 5.6 | 9.6 |
| Earnings per 25p share | 15.90p | 16.79p |

Exchange rate fluctuations have a marked impact on revenue of an internationally operating group such as this. The weakness of the U.S. dollar, in which the group's Australian Hamersley iron ore contracts, for example, are priced has had a severely adverse impact. In fact, had exchange rates remained unaltered during the respective periods RTZ's latest half-year profits would have been higher than those of a year ago.

The major changes in the revenue pattern over the past year have been the fall in earnings of Conzinc Riotinto of Australia (reflecting lower profits at AM and S and Hamersley) and a rise in profits of RTZ Borax in line with high production and consequent fall in operating costs: the latter situation is not expected to be repeated in the current half-year.

It is encouraging to note that the group's troubled Rossing uranium mine in Namibia (South West Africa) made a small profit during the period and the inclusion of its sales for the first time was largely responsible for an increase of £82.1m to £972.5m in group sales revenue. The big new mine should be operating at, or close to, its full annual capacity of 5,000 tonnes of uranium oxide next year. RTZ shares rose 4p to 250p after the results yesterday.

## Korea's Pohang in U.S. venture

SOUTH KOREA'S State-run Pohang Iron and Steel is reported to have decided to invest $46m (£23.4m) during 1979-84 in a coal mining project in the Tanoma area of Pennsylvania.

A spokesman said that Pohang has been granted the right to mine in the U.S. area under a lease signed with Barnes and Tucker for a period for about 30 years. He did not elaborate on the lease.

He added that the planned investment will be mostly in mining facilities and that all the production will be shipped to Korea for making coke to be used by Pohang.

The Tanoma project is expected to enter full operation in 1984, producing annually 600,000 tons or more to meet 10 per cent of its annual needs.

## Haoma-NW peg more claims

AUSTRALIA'S Haoma Gold Mines and North West Mining have jointly pegged an additional 125 mineral claims for diamonds in the west Kimberleys, covering 12 separate geological locations. These claims are in addition to those subject to the Selection Trust joint venture, reports Don Lipscombe from Perth.

The companies told the Stock Exchange of Perth that a one-third interest in the block of claims has been offered to Uranium Consolidated for a consideration of 1m fully-paid vendor shares. If approved by Uranium Consolidated shareholders, the placement will give the North West Mining Haoma Group a controlling interst in Uranium Consolidated.

Colour photography and photo-interpretation has been completed over this area and certain specific features defined. An airborne geophysical survey of these claims will commence on October 2.

Negotiations are well advanced with an unnamed major mining company whereby that company will reimburse Haoma and North West all costs to date and carry out further extensive evaluation of the claims. The major company will be required to spend A$2.5m (£1.47m) to earn a 55 per cent interest in the block of claims.

The total acreage in which Haoma/North West hold an interest in the West Kimberleys is in exces of 200,000 acres. The group also holds an interest in 230,000 acres in the east Kimberleys and additional acreage in the Pilbara region. In London yesterday Haoma shares eased 2p to 58p and North West were 1p off at 42p.

## Texasgulf and Kaiser report

LOWER PROFITS for the past half-year are reported by two of the transatlantic natural resource majors, America's Texasgulf and Canada's Kaiser Resources. Despite increased sales, the former's consolidated net income for the period has come back to $22.3m (£11.4m), or 58 cents per share, from $27.6m in the same period of 1977.

Texasgulf sales rose 15 per cent in value to $274.1m during the half-year, mainly as a result of increased deliveries of soda ash, zinc, sulphur and phosphate fertilisers coupled with improved prices for all these products with the exception of zinc. Sharply lower prices were received for the company's zinc and copper production.

At the same time costs moved ahead and this was also a factor in the 24 per cent fall reported in second quarter earnings of Kaiser Resources which left the half-year total at C$25.6m (£11.1m) compared with C$30.7m a year ago.

Kaiser comments on "A lower level of metallurgical coal shipments and the inability of the company during the period of price negotiations to recover certain increased costs through escalation provisions of its Japanese sales contract."

Kaiser is continuing its negotiations with Japanese customers on the price and escalation provisions for coking coal to be effective on April 1, last. Until agreement is reached Kaiser will continue to charge C$37.23 per long ton, for coal delivered, the price effective at March 31.

### NORANDA'S GOLD PLAN IN QUEBEC

Canada's Noranda Mines intends to resume work on its small Chadbourne, Quebec, orebody in view of the strengthening of gold prices and a new and encouraging geological interpretation of the orebody.

However, work on the site, suspended in March, 1976, will not proceed until all necessary permits have been obtained.

Chadbourne is estimated to contain 1.14m tons of ore grading 0.146 ounces gold per ton. Production at 20,000 tons per month is expected to begin some four to six months following the issue of permits, and should continue for five years.

Pre-production costs are expected to exceed C$3m (£1.3m). The resumption of operations could mean the start of new mining activity for Noranda in north-western Quebec as the mining method and equipment can be adapted to other small properties known to be in the region.

## 'Optimism' on British forestry

By Our Commodities Staff

MARKETING DIFFICULTIES experienced by British timber merchants in recent years are no more than temporary setbacks, Lord Peart, Lord Privy Seal and former Minister of Agriculture, said in Cumbria yesterday.

Lord Peart, opening the second National Forestry Machinery Demonstration on Lord Lonsdale's Lowther Estate in Penrith, said he looked forward "with some optimism" to a secure and prosperous future for Britain's forestry industry.

"We have seen a steady expansion in the establishment of forestry since the war and although there have been the normal peaks and troughs British forestry is now firmly established," he said.

But he thought British forestry could make a much bigger contribution to the country's timber needs. 'Our own forests at present contribute less than 10 per cent of our timber needs while our current import bill for wood and wood products runs at over £2bn a year."

Over the next two decades "we can expect a significant increase in the (British) production of softwood timber as large areas of young plantations come into the producton phase.

Softwood producton was forecast to more than double in that period. "The expansion in soft wood supply will be so rapid as to confront both the public and private sectors with a major challenge in the harvesting and marketing of the timber," he declared.

## Fixed palm oil duty sought

KUALA LUMPUR, Sept. 20.

MALAYSIAN PALM oil refiners have proposed the Government follow a fixed duty system to overcome prevailing uncertainty about rates of duty, reports Reuter.

In a memorandum on the new budget to Tengku Razaleigh Hamzah, Finance Minister, the Palm Oil Refiners' Association of Malaysia suggested the basis of export duty computation remain valid for five years.

The industry claims it is hampered in its efforts to make long-term plans and that refiners are compelled to speculate on expected duty rates when making forward sales.

## BIDS AND DEALS

# Guest Keen agrees £4m for hardware distributor

Guest Keen and Nettlefolds has made a £4m agreed cash offer for the public unlisted company Stern Osmat. Terms of the offer are 120p in cash for each ordinary share of Stern Osmat and 37p for each 4.2 per cent cumulative preference share of £1.

Stern Osmat is a hardware distributor specialising in housewares, gardening equipment, ironmongery and hand tools. Based in Enfield it also operates cash and carry centres, eight in all, for those products. These are based in the south of England. Guest Keen feels that the purchase will compliment its own distribution company for hardware (GKN Distributors) as well as extend its regional network.

In its last financial year (1977) Stern Osmat made taxable profits of £447,000 compared with £429,000, on turnover of £23m, (£22.5m). Including deferred tax the group showed net assets of £4.2m.

The Stern Osmat directors have accepted the offer in respect of their own holdings which amount to 69.5 per cent of the ordinary share capital and 7.2 per cent of the preference capital.

### ADAMAS CARBIDE GOES TO ULSTER

New Jersey, through its subsidiary company Duracarb, has acquired the assets of Prodan, an Ulster engineering concern which has been in receivership for two years, Mr. Don Concannon, the Northern Ireland Minister of State responsible for industry, announced yesterday.

The operation will continue under a new name, Duratool. A new range of carbide cutting tools is to be added to the present product range of machine tools and Mr. Concannon said there were prospects for "a substantial increase" in the present labour force of 35.

Prodan, which went into receivership in November, 1976, has been kept going with financial aid from the Northern Ireland Departmnet of Commerce in the hope that the skilled jobs could be preserved.

Adamas Carbide becomes the fifth U.S. company to establish operations in Ulster in the past six months.

### MIDLAND EDUCATIONAL

Following the receipt of the formal offer document from Pentos, the board of Midland Educational advise shareholders to take no action as they consider the ordinary offer to be totally inadequate and unacceptable. The chairman of Midland will write to shareholders shortly with detailed reasons for their advice.

### WHEELOCK/HOGG ROBINSON VENTURE

Wheelock Marden and Co. announces a joint venture with the Hogg Robinson Group of London to develop their insurance subsidiary, Mow Tai Insurance Company which will be renamed Mow Tai Insurance and Re-insurance Company.

Hogg Robinson is acquiring 44 per cent of the new company which will have an authorised share capital of HK$10m and paid-up capital of HK$5m.

Both Wheelock Marden and Hogg Robinson are confident that with this combination, the Mow Tai will be better able to make a contribution to worldwide insurance markets.

Mr J. G. Hogg is appointed deputy chairman and Mr. G. T. Geddes and Mr. D. G. Horne are appointed directors.

### JERSEY EXTERNAL

Jersey External Trust announces that its offer for all the outstanding Participating Redeemable Preference shares of 1p each in Keyselex Japan has been declared unconditional, having been accepted by the holders of 93.73 per cent of the shares in issue on September 19 (and representing 69.52 per cent of those in issue on August 4).

The offer will remain open for acceptance for 14 days after written notice is given to Keyjap shareholders that it has been declared unconditional; it is antcipated that the offer will close on October 9, 1978.

### ICFC FINANCES FURNACE CLEANERS

Industrial and Commercial Finance Corporation has provided a £65,000 financial package to help three directors buy Harvey Furnace Contractors, a subsidiary of the Lex Group based in Newton Abbot.

The new company, MDS Furnace Services, will continue the business of soaking pit (used in steel rolling mills for heating ingots) and furnace cleaning, carried out by using the specially developed Harvey machine and Grant machines from the U.S. under an exclusive arrangement. These machines enable rapid removal of hardened slag—the alternative being the slow breaking out by hand.

### ASSOCIATES DEALS

Laurence Prust and Co. bought 1,200 Allied Breweries ordinary at 86½p on behalf of a discretionary investment client.

Hill Samuel and Co. sold 68,000 Courtaulds at 116p on behalf of a discretionary investment client.

Fielding Newson-Smith and Co. sold 102,445 Allied Breweries ordinary shares at 84½p on behalf of a discretionary client of Morgan Grenfell and Co., who are the advisers to J. Lyons and Co.

### G. T. ROBINSON

George T. Robinson, engineer and constructor, of Potters Bar, has purchased the assets of Dobbin Engineering, Stockton-on-Tees.

This acquisition enlarges Robinsons' capacity in precision sheet metal work and heavy fabrications covering a wide range of modular structures used in the petrochemical and offshore industries.

### THORN CUTS STAKE IN AUSTRALIAN TV MANUFACTURE

Thorn Electrical has sold a 10 per cent stake in the jointly-owned AWA-Thorn Consumer Products, the Australian television manufacturer, to Mitsubishi Electric Corporation for £585,000.

This reduces Thorn's stake in the television company to 40 per cent and it now remains to be seen whether it will attempt to sell off any further shares.

Last year Thorn's share of losses from the Australian company amounted to around £2m.

Mitsubishi already has strong trading links with the company and since 1974 has supplied AWA Thorn with electrical products including colour televisions and audio systems. The Japanese company says that it bought the 10 per cent interest to help consolidate these links.

### COMBEN HAS 53.7% OF ORME

COMBEN GROUP'S offer for Orme Developments has gone unconditional as expected. Acceptances yesterday morning had reached 53.7 per cent (9,770,311 shares).

It now remains for the Orme directors to decide at a board meeting on Friday whether they will now recommend the cash and shares offer. They had previously only recommended the all cash offer which has lapsed. The cash and shares offer remains open for acceptance until further notice.

Saint Piran, which still owns 28.2 per cent of Orme, has yet to decide whether to accept the offer now that it has gone unconditional. Saint Piran might like to keep its holding, especially if it could keep a nominee on the board and therefore be allowed to equity account the earnings of Orme.

But the only attraction for Comben in such an arrangement would be that less of its shares would be on the market depressing the price. Comben is expected to regard this as a short term consideration and therefore reject a deal along these lines.

King and Shaxson: Britannic Associated Company has sold 500,000 ordinary shares and no longer have any interest in that class of share.

# Ferguson Industrial in talks with Randalls

Ferguson Industrial Holdings and Randalls Group announced yesterday that preliminary discussions were taking place that could lead to Ferguson making a bid for the shares it does not already own in Randalls.

Randalls advisors, County Bank, stressed last night that discussions were at an early stage and that they could continue for some time. It said the announcement was made at this stage in order to keep the market fully informed of developments. No request has been made for suspension of share trading.

In the past week, Randalls' share price has risen from 76p to a peak yesterday of 106p. The price rises went in steps of 1p on Wednesday and Thursday last week and it held steady at 78p until the opening of trading on Tuesday. It rose 6p to 84p by the end of trading on that day and yesterday it jumped 22p to 106p.

Randalls, a distributor of building, engineering and electrical materials capitalised at £2.7m, is recovering from a pre-tax loss of £284,597 in the year to December 31, 1977. Mr. C. R. Randall, group chairman, pointed out in the annual report, however, that the losses were largely due to a decision to quite trading activities not directly related to the more profitable sectors of the company's business.

"Overall, the very adverse effects on our trading performance of restructuring is behind us, and I am hopeful that there will be further improvement in performance in the second half of the year," he said.

Ferguson, whose building supplies division (excluding activities in Ulster), produced sales of £27.1m and a trading profit of £633,488 in the year to February 28, 1978, has been building a stake in Randalls for about a year.

It now has in excess of 10 per cent of Randalls' ordinary shares and is the second largest shareholder behind the Throgmorton Trust which has roughly 13 per cent of Randall's shares. Another major shareholder is the Imperial Group which had a 6 per cent stake at the end of December, 1977.

### NORFOLK CAPITAL

Norfolk Capital Group has purchased the 100-bedroom Granby Hotel, Harrogate. The purchase price was £150,000 and a further £250,000 will be spent on refurbishment and new facilities.

The hotel stands on a four-acre site, overlooking The Stray, and includes a separate night club and land with potential for residential development. The Granby will be the 17th hotel in the group.

Norfolk Capital recently purchased the freeholds of two of its London Hotels, The Queensway and The Norfolk, and acquired a new long lease on a third, The Royal Court. In the current year it estimates capital spending on improvements to its hotels at £1.2m.

City and International Trust: Commercial Union Associated Company has acquired £50,000 cumulative preferred stock (8.333 per cent).

*Company Announcement*

**1978 M.P. NO. 494**
**IN THE SUPREME COURT OF HONG KONG**
**MISCELLANEOUS PROCEEDINGS**

**In the matter of Southern Pacific Properties Limited and In the matter of the Companies Ordinance (Chapter 32)**

NOTICE IS HEREBY GIVEN that, by an Order dated the 11th day of September 1978 made in the above matters, the Court has directed a meeting be convened of the holders of all of the shares of $0.50 each in the capital of the above named Southern Pacific Properties Limited (hereinafter called "the Company"), other than those which are beneficially owned by Triad Holding Corporation S.A., Peter Munk and David Harrison Gilmour, for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and (i) the holders of all of its shares of $0.50 each, other than those which are beneficially owned as aforesaid, and (ii) the holders of its shares of $0.50 each which are beneficially owned by Triad Holding Corporation S.A. and (iii) the holders of its shares of $0.50 each which are beneficially owned by Peter Munk and David Harrison Gilmour and that such meeting be held at the Kublai Khan Room, Mandarin Hotel, Connaught Road, Central, Hong Kong on Friday, the 13th day of October 1978 at 12 noon at which place and time all shareholders of the Company, other than as aforesaid, are requested to attend.

Any person entitled to attend the said meeting can obtain a copy of a composite document containing the said Scheme of Arrangement and an Explanatory Statement, together with a form of proxy, from the registered office of the Company, 701 Shell House, Queen's Road, Central, Hong Kong, from the Registrars of the Company, Central Registration Hong Kong Limited, 1st Floor, Gammon House, 12 Harcourt Road, Hong Kong and from the undermentioned Solicitors at the address stated below during usual business hours on any day (other than a Saturday afternoon or Sunday) prior to the day appointed for the said meeting.

The said shareholders may vote in person at the said meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead.

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s), and for this purpose seniority will be determined by the order in which the names stand in the Register of Members of the Company.

It is requested that forms appointing proxies be lodged at the registered office of the Company, 701 Shell House, Queen's Road, Central, Hong Kong before the time appointed for the said meeting, but if forms are not so lodged they may be handed to the Chairman at the said meeting.

By the said Order the Court has appointed Desmond White Samuel or, failing him, Charles William David Birchall or, failing him, Roger Gaved Kirby to act as Chairman of the said meeting and has directed the Chairman to report the results thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent approval of the Court. Dated the 20th day of September 1978.

DEACONS,
6th Floor, Swire House, Chater Road, Hong Kong.
*Solicitors for Southern Pacific Properties Limited.*

# INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

## Ford price moves may help Pinto

BY JOHN WYLES

NEW YORK, Sept. 20.

FORD Motor Company is effectively cutting prices on some 1979 models of its controversial Pinto small car in a bid to maintain sales volume in the face of adverse publicity.

This emerged yesterday when the company announced an average 4.2 per cent increase on prices of its 1979 model range. The overall price rise is broadly in line with pledges that Ford gave to the Carter Administration to try to restrain increases at or below the level attached to its 1978 model range last year.

Ford said that its 1979 prices "reflect a high degree of moderation" adding that the 4.2 per cent increase was "substantially below the rate of cost increases the company has been experiencing." Some analysts have questioned whether Ford is making much, if any profit, out of its U.S. car operations and the new price tags are heavily weighted towards bigger increases on full-sized cars on which the profit margins are substantially better.

Ford has close to 30 per cent of the market for full-sized and luxury cars and among other things its decision to raise prices in this segment by around 8 per cent is aimed at offsetting falling margins on smaller vehicles.

The company admitted before a Congressional committee recently that margins on the Pinto have disappeared altogether and that Ford is selling at a loss in order to meet government fuel economy regulations, which require average fuel consumption of all cars sold *to be no less than 19 miles to the* gallon in the 1979 model year.

But Pinto sales have been badly hit by allegations that 1971-76 models are prone to fires when involved in rear end collisions. The company was handed a criminal indictment by an Indiana Grand Jury last week in a case involving the deaths of three teenage girls in an accident involving a 1973 Pinto and, although the company has recalled 1.5m 1971-76 models for fuel tank modifications, publicity from this and other civil suits is badly hurting sales.

Ford is unlikely to sell more than 180,000 Pintos this year and says it needs to sell 190,000 in the 1979 model year to meet fuel regulations. In a desperate bid *to make the car more attractive*, it has boosted the 1979 prices of the cheapest model by only 1.9 per cent. However, other models have been effectively reduced in price by making previously optional equipment standard without raising the basic price.

It remains to be seen how successful this loss-lead pricing will be. For dealers currently have 78 days' supply of the Pinto in stock and 98 days' supply of its Mercury division twin, the Bobcat. These are higher stocks than are normally regarded as comfortable and compare with just 48 days' supply of the Pinto's General Motors rival, the Chevette.

## SEC probe into Bache share dealings

NEW YORK, Sept. 20.

THE U.S. Securities and Exchange Commission (SEC) has quietly launched a full-scale investigation into two trades last June in which four large holders of Bache Group privately sold a total of 560,000 Bache shares back to the securities firm holding company for a $1.2m premium over the open market price.

The sales came shortly after a representative of one of the holders, according to Bache, had indicated to the firm that all four were considering waging a proxy fight for control of the company. Bache, as previously reported, has said it purchased the shares to avert a proxy fight and has asserted that it was within its legal rights to pay the premium to avoid discord within the company.

According to sources familiar with the SEC probe, the investigation seeks to determine whether any of the holders used illegal methods to persuade Bache to buy back the stock at prices higher than the going rate on the New York Stock Exchange, the primary market for Bache shares.

Moreover, it seeks to determine whether the holders were *indeed acting as a single group* and whether they should have registered as such with the SEC under Section 13 of the Securities Exchange Act of 1934. The section, among other things, requires registration by holders of more than 5 per cent of a publicly held company's shares.

The focus of the probe is two blocs within the group of four holders. One consists of a pair of Iowa metals dealers — Mr. Ben Schwartz of Marshalltown and Mr. Eli Rosenman of Ottumwa — and the estate of a third metals dealer — the late Mr. Harold Brady of Chicago.

The three owned a total of 489,300 Bache shares, which they accumulated for investment purposes in 1974 and 1975.

The other 70,700 shares were owned by an unidentified client of Mr. Gerald Tsai Jr., a Wall Street money manager who is president of the big board member firm that bears his name.

According to Bache, Mr. Tsai, in a meeting with Bache officials early last June, implied that he had the support of the Midwestern group and raised the possibility that the Midwesterners would co-operate with him in a takeover bid.

Mr. John J. Curran, chairman of Bache's executive committee and the company's general council, said that Bache has not been served with any formal notice of investigation by the SEC.

AP-DJ

## Sound growth in AT & T earnings

NEW YORK, Sept. 20.

AMERICAN Telephone and Telegraph has turned in sound results for the three months ended August 31. Net earnings advanced from a corresponding $1.18bn or $1.82 a share to $1.42bn or $2.09 a share—an increase of 20 per cent—on revenues 13 per cent up from $9.15bn to $10.37bn.

Earnings for the 12 months to August improved by 13 per cent, from $4.3bn or $6.72 a share, to $5.1bn or $7.59 a share, on revenues up 18 per cent, from $35.12bn to $39.62bn.

Bell System said the net figure for the past 12 months period equalled a 9.53 per cent return on average total capital of about $51bn.

Mr. John D. Debutts, chairman of A T and T, said it was increasingly evident that 1978 would be a notable year in terms of growth, service performance and earnings improvement. Demand for service remained strong throughout the past quarter with the volume of business up 10.7 per cent.

Commenting on an "unrelenting emphasis on efficiency" the AT and T executive said that despite the increasing demand for service, Bell System's operating expenses were running considerably below anticipated levels.

While it would be unrealistic to expect growth to continue at the accelerated pace of the past several quarters, Mr. Debutts said the Bell System was determined to sustain in the months ahead the progress made in earnings as well as service performance.

The Bell System companies handled 3.8bn long-distance messages during June, July and August—an increase of 12.5 per cent over the same period last year. It added 1.1m telephones during the three-month period. This brings to 131.5m the number of Bell telephones in service—up from 126.2m a year earlier.

Agencies

## Citibank paper auction result

BY STEWART FLEMING

NEW YORK, Sept. 20.

CITIBANK RECEIVED bids of $931m for the $100m of 91-day commercial paper which it put *out for auction yesterday.*

The auction was the first time that an attempt has been made to sell commercial paper in the U.S. through an auction system similar to the one the U.S. Treasury uses to sell bills.

The system *by-passes* the traditional dealer network for commercial paper, although Citicorp says that it has traditionally sold commercial paper directly itself and not through dealers.

*It said that it had sold the* paper at an average rate of 8.643 per cent, having received bids ranging from 8.618 per cent to 8.652 per cent.

Although the rate would appear to be higher than the quote for three-month commercial paper in the market, which is nearer the 8.40 mark for top quality paper, dealers point out that there is very little three-month commercial paper in the market, and that to some extent, therefore, the three-month quote is nominal.

In launching a regular auction of three month commercial paper, Citicorp seems to be aiming to try and lengthen the maturity of its own commercial paper. The question which remains to be determined is whether there is a regular market for three-month commer*cial paper waiting to be tapped.*

Compared with the volume of commercial paper now outstanding in the market, around $74bn, the Citicorp issue is tiny. But dealers all said that they thought it could prove to be a significant innovation. One suggested that, while it might broaden the short-term money market, it could be that, if interest rate differentials were attractive, Citicorp might find itself attracting funds out of the CD market, where it is also an issuer, into the commercial paper section.

Dealers suggest that the Citicorp move must be viewed as experimental and that it will take some weeks to see how successful the concept is, although the general view of yesterday's auction was that it must be viewed as a success. One investment bank executive pointed out that the Citicorp had floated the paper at a rate close to the quote for three-month certificates of deposit. At present, he pointed out, there is a good *secondary market in three* month CDs, but not in commercial paper.

Compared with treasury bills, which are U.S. Government paper, Citicorp paid a substantially higher rate. Thus three-month Treasury bill rates were quoted today at around 7.95 per cent.

A significant attraction of the issue of commercial paper is that it is Citicorp paper, that is issued by the holding company. Unlike certificates of deposit which are issued by the bank, the commercial paper will not be subject to a reserve requirement.

## Carrier to open merger talks

NEW YORK, Sept. 20.

United Technologies Corporation has started talks with Carrier Corporation over United's merger offer, announced Monday. Mr. Harry J. Gray, United's chairman and president, in revealing this today said the Carrier Board has up to this point not said no to the offer.

Mr. Gray declared that it was United Technologies' philosophy not to make a tender offer unless necessary. Nevertheless, in Monday's announcement of its desire to merge with Carrier through a negotiated, tax-free exchange of securities, United made clear an alternative to negotiations. This would involve a cash offer for 49 per cent of the outstanding Carrier common stock and the common stock issuable upon conversion of Carrier's $1.96m convertible preferred stock at $28 per common share and $50.82 per preferred share. United had sufficient funds for a tender offer, having more than $500m cash in hand as well as about $650m of bank credit available.

The proposed Carrier merger would fit into United's overall objective that a company to be acquired has got to be "a technological match" with its own operations, a market leader and a profitable unit with a confident management.

Mr Gray said that according to United's general counsel there were no parts of Carrier that would require divestiture for anti-trust reasons if the companies do merge.

He also said he was optimistic about the outlook for United Technologies for 1979. Order backlog amounts to about $7.4bn and most of the group's operations are fully booked until the end of 1979.

The company's automotive operations may experience a decline of 6 to 7 per cent but this will not have a material effect on earnings since the aim is to move into higher priced auto lines. Research and development spending this year will total about $400m, up from $368m in 1977. United expects to spend $2bn over the next five years on research and development, Mr. Gray added.

Reuter

MEDIUM-TERM CREDITS

## Controversy likely over Iran Euromarket loan

BY MARY CAMPBELL, EUROMARKETS EDITOR

IN WHAT is likely to be a controversial loan, Iran's state-owned Agricultural Development Bank is seeking to raise about $80m for 10 years on the Euromarket on extremely competitive terms.

Blyth Eastman Dillon, the U.S. investment bank, is involved in preliminary discussions with potential managers for the loan and will go ahead and arrange it if it can find a sufficient number of banks interested.

Blyth Eastman said yesterday that it already had "two or three banks" prepared to take management positions on the terms proposed.

Although the loan would not be state guaranteed, and the Agricultural Development Bank is not as highly regarded as some of Iran's other state-owned institutions, it is seeking to raise the funds at a margin over inter-bank rates of ⅞ per cent for the first five years rising to ⅞ for the last five. These are the same terms as the last two big loans for state-owned institutions—loans which were guaranteed by the Iranian government.

It is believed that the terms offered by the consortium of banks competing for the mandate to arrange the loan involved a margin of ⅞ per cent.

There are two main reasons for the attempt to raise the funds on these terms at this time. One is that it is important *for Iran, following the riots and* the imposition of martial law, to re-establish its close to prime credit rating in the international markets. Some bankers have been arguing in recent weeks that the internal political problems in Iran meant that an increase would be needed in order to tempt banks to subscribe.

The other reason is that the loan, if it materialises, would be the first big deal arranged by Mr. Minos Zombanakis in his new position as head of Blyth Eastman Dillon. The Agricultural Development Bank was for a long time a customer of First Boston (Europe), which was headed by Mr. Zombanakis, before he moved to Blyth Eastman Dillon. For him to take this customer with him would obviously be a coup.

Some bankers said that if Blyth Eastman succeeds in getting the loan arranged at these competitive terms, then it would be likely to put the company in line for further business from Iran in the future.

EUROBONDS

## Intershop issue oversubscribed

BY NICHOLAS COLCHESTER

THE RARE dollar-denominated Swiss convertible bond from Intershop was priced and offered yesterday afternoon. Subscrip*tion has been very heavy and*, managers of the issue apart, it is expected that applicants will receive only around 5 per cent of what they have asked for. The coupon was set at 5½ per cent—half a point below the initial indication.

In the Eurobond secondary markets, volume remained light but there were some notable price movements. The dollar sector remained weak, depressed by around ½ per cent by the continuing rise in short-term interest rates and the weakness in the dollar and in the yankee bond market. Dealers cited the rising cost of financing positions. Some stated flatly that the market was now overvalued, but suspended by the lack of new issues and sellers that has characterised the market this summer. Nevertheless selling of Export-Finance caused the price of that bond to drop by almost a point.

Benefiting from the weakness of the dollar sector, the price of Eurosterling bonds, which have been creeping upwards in recent weeks, firmed noticeably yesterday. They were quoted at up to ⅜ higher and some of the interest may have been prompted by news of the Norsk Hydro eurosterling loan.

The DM sector drifted downwards by around one quarter of a per cent, continuing the reaction to its recent strength. Volume was very light.

Intershop is issuing 20,000 bonds, each of which will be convertible from next April into five bearer shares of Intershop, priced yesterday at SwFr 340. The issue price has been set at $1,200 per bond, and at yesterday's exchange rate of SwFr 1.537 to the dollar. This implies a conversion premium of 8.49 per cent. In the initial announcement of the bond Intershop had undertaken not to pitch this discount at above 10 per cent. The shares are currently close to their 1978 high (effectively SwFr 344 ex div), compared with a low this year of Sw Fr 290. The issue has been managed by UBS (Securities).

DOMESTIC BONDS

## Keen activity in French market

BY DAVID WHITE

PARIS, Sept. 20.

CONDITIONS ON the French domestic bond market are steadily becoming more attractive to borrowers. As more French companies begin to tap the stock market for fresh capital — the latest applicants being Lafarge and French BP— activity in new bond issues is equally brisk.

The trend towards easier interest rates and longer maturities is confirmed in two *forthcoming public sector issues*. The Paris Metro and bus operator Regie Autonome Des Transports Parisiens (RATP) is floating a FFr 460m ($106m) loan next week, for 16 years. Issued at par next Monday, the loan will carry a coupon of 10.3 per cent.

The Caisse Nationale des Autoroutes is also due to come to the market for a FFr 500m, 20 year loan.

Two private borrowers are also due to float bond issues in the next few days — Credit Naval with a FFr 130m loan, expected at the beginning of next week, and Sofieam Banque Immobi*liere de Credit with FFr 120m.*

The next instalment of the Government's domestic borrowing plans is also expected by early next month, following tranches of FFr 3bn and FFr 2.5bn issued in May and July.

Financial circles believe the forthcoming state loan may be increased to FFr 4bn—5bn from the FFr 2.5bn originally foreseen, in order to take advantage of the current good reception of new issues. The loan, to help bridge the Government's budget deficit, is expected to carry a lower coupon than the 9.8 per cent attached to July's 15 year offering. Interest on the *May tranche was 10 per cent.*

The short-term market has shown more signs of pressure, however, and overnight rates appear to have stabilised at or slightly above 7 per cent.

# INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Crinavis debt suspension hits Spanish tanker hopes

BY ROBERT GRAHAM MADRID, Sept. 20.

SPANISH ATTEMPTS to break into the high technology field of liquefied natural gas (LNG) tanker construction have received a serious setback. Crinavis, a private company formed in 1972 with strong Government financial backing and designed to give Spain a place in the important future field of LNG tanker construction, has been obliged to suspend all outstanding payments.

This is a move, approved by the courts, whereby, with the company's accumulated debts exceeding a given percentage of assets, all payments are temporarily frozen pending financial restructuring or winding up. In the case of Crinavis it seems almost certain that both the private shareholders and the Government will be interested in keeping the company alive, given its potential importance, and the extent of existing investment.

According to documents submitted to a Madrid court earlier this month, Crinavis has total outstanding debts of Pta 4.3bn (some $58m) against assets of Pta 5.1bn. Roughly half the company's creditors are in the public sector, but there are also a number of the commercial banks, as well as several engineering companies, in particular the troubled capital goods concern Babcock Wilcox Espanola, which itself already has all outstanding payments frozen. The main creditor is the official construction credit institution, Banco de Credito a la Construccion, which is owed Pta 1.9bn.

Crinavis was formed largely on the initiative of the engineering concern Sener, run by the Sendagorta family, who along with Banesto and Bankunion took up over 80 per cent of the Pta 1.1bn. The aim was to capitalise on the expanding worldwide demand for LNG and on Spain's own particular dependence upon imported energy, and a yard was established near Algeciras. It was also hoped to move into gas liquefaction plant technology.

In the past four years, considerable effort has been put into developing indigenous technology but all orders have fallen through.

The principal hope was for Crinavis to play a major part in the huge Kalingas project, bringing LNG from Iran to Europe. However, Crinavis was unable to obtain the backing of the state supported Export Credit Guarantee Organisation for an investment in this project. Crinavis was understood to have been seeking export credit guarantee for some Pta 23bn. Because of financing difficulties and also as a result of a major reappraisal of LNG export policy, the Iranians decided to put the Kalingas project in abeyance some 18 months ago. Since then Crinavis has been unsuccessfully looking round for business.

*Discussions* are now understood to be going on on how to maintain the company. According to press reports, some Pta 5.6bn has so far been invested in it — a high investment to waste.

## Sharp setback for Jacobs AG

BY JOHN WICKS ZURICH, Sept. 20.

EUROPE'S biggest coffee roaster, the Jacobs AG company of Zurich, suffered a net loss of SwFr 96.2m ($61.3m) last year and is to omit payment of a dividend. The loss, attributed to a fall in consumption and—particularly on the important West German market—a sharp drop in sales prices, is the first in the group's 80-year history.

This is termed a "serious setback" after a series of successes since the Jacobs concern moved its headquarters to Switzerland in 1974. In 1976, the parent undertaking had booked profits of SwFr 51.2m and distributed a dividend of SwFr 8 per share. Last year, the group's position was made more difficult by the integration of two acquisitions, the Cafes Jacques Vabre company of France and the Danish roaster, Ali Kaffe.

After the unsatisfactory developments in 1977, business has progressed favourably this year so far. Jacobs' loss of market share in the federal republic has been made up for and is at present running at a record level, while German coffee consumption as a whole has shown a substantial increase. Jacobs has also been working towards an expansion of market share in other countries.

Group turnover had risen sharply in calendar 1977, from SwFr 1.73bn to SwFr 2.24bn ($1.43bn), though this was due to the rise in raw coffee prices and the full consolidation of former joint-venture affiliates' sales. Actual sales volume actually dropped over the year. In the first eight months of 1978, group turnover totalled SwFr 1.32bn and was thus 20 per cent down on the corresponding period of last year. Sales volume, however, was 20 per cent up, the turnover drop being a result of the fall in the price for coffee at the same time as the rise in the Swiss franc exchange rate. Business during the rest of this year will depend on the further development of the raw coffee price, the company says.

The improvement this year has meant a return to profitability for Jacobs AG, whose overall cash drain had been of SwFr 76.4m in 1977. For 1978 as a whole, a "good result" is anticipated, Mr. Kalus J. Jacobs, company president, stated in Zurich, whereby the raw coffee price is seen as remaining stable at least. The group hopes to attain, or even surpass, the 1976 result and return next year to payment of a SwFr 8 dividend.

Nevertheless, the group is to enter a period of consolidation "for financial and organisational reasons," it is stated in the annual report. This will follow years of marked expansion and internationalisation. With a view to this end, short-term liabilities have been converted into long-term loans to provide the firm with the necessary financial support.

## Norwegians plan for Volvo stake criticised

By John Walker
STOCKHOLM, Sept. 20.

THERE has been considerable criticism in Norway over the preliminary agreement of the Norwegian Government to take a 40 per cent stake in the Swedish Volvo car concern. Since the announcement earlier this year, there have been many foreign industrial companies considering the question of agreements with Norway of a similar nature.

The Norwegian Ministry of Industry is interested in new proposals which may promote economic development, and which will assist the employment situation in Norway. Although there have been no parallel negotiations as yet, the 36 companies which applied for blocks in the last offshore concessionary round are now being approached by the Norwegian authorities with the view of establishing what can be offered in return for concessions in the North Sea.

The main complication in the Norwegian-Swedish deal, and one that is being fully discussed by Norway's Prime Minister, Mr. Odvar Nordli during his current visit to Stockholm is the question of arrangement, whereby the profit on the Norwegian 40 per cent stake in Volvo will be taxed in Norway.

## Bi-Lo lifts Ahold profits

BY MICHAEL VAN OS AMSTERDAM, Sept. 20.

AHOLD, HOLLAND'S largest supermarket chain—now also active in the U.S.—expects this year's net profits to be "considerably" up on the 1978 figure of Fl 36.8m, the board said in its half-year statement, published in Zaandam today.

The company said that since the results from the operations of the Bi-Lo retail group in the U.S. have been included in the results from August 22, 1977, the figures for the earlier part of 1978 are not strictly comparable with the previous year. It therefore published sales and net profits including and excluding Bi-Lo.

Sales to third parties were 33 per cent up on last year in the half year. Excluding Bi-Lo, the increase was only 6.7 per cent. The latter small increase was attributed partly to lower inflation than in previous years and to the impact of the price-slashing campaign in early 1977. Bi-Lo's sales in the half year were about 15 per cent up in dollars on the same period of the year before.

Ahold's operating result was up by Fl 23.5m (U.S.$11m) and up by Fl 7m Bi-Lo excluded. The U.S. company's trading result has developed "favourably," the board said. Ahold added that its operating result as a percentage of sales was up to 1.78 per cent this year (1.55 per cent).

Ahold's net profit in the first *half* year amounted to Fl 24.9m (Fl 20.3m excluding Bi-Lo), compared with Fl 17.1m in the same 1977 period. Net profit as a percentage of sales was up to 0.94 per cent (0.86 per cent). In the past year, Ahold's total sales amounted to Fl 4.14bn ($1.9bn), and to Fl 3.8bn excluding Bi-Lo. The net profit excluding Bi-Lo amounted to Fl 34.2m in 1977.

## Argentina repays $1bn loan

BY ROBERT LINDLEY BUENOS AIRES, Sept. 20.

ARGENTINA HAS completely repaid, to a consortium of U.S., Canadian, European and Japanese banks, the $1bn loan contracted after the March, 1976, coup d 'etat when the country was on the brink of default.

The announcement was made by Economy Minister Dr Jose Alfredo Martinez de Hoz as he took the plane here for Washington to attend the annual joint meeting of the International Monetary Fund and the World Bank. The loan, he said, was cancelled two years ahead of time, inasmuch as it was a four-year loan, which showed how solid Argentina's development had been.

## Foreign investors buy Italian

By Our Own Correspondent
ROME, Sept. 20.

FIAT shares rose sharply on the Milan bourse today. In a market once again characterised by heavy trading volume and nervous price movements. Since the start of September, this long-stagnant market has undergone a veritable explosion, and much of the impetus is understood to have come from heavy buying of Italian shares from abroad.

Fiat is just one of Italy's blue chips to have shown startling gains in recent weeks. Other leading industrial shares have also bounded ahead, including Olivetti, Pirelli, Montedison, Snia Viscosa and Societa Generale Immobiliare. Since the start of September the Mediobanca share index has risen by 22 per cent. One of the main factors in this strong recovery of Italian stock prices is understood to be heavy share purchases by foreign investors, mainly from Swiss and West German banks.

According to bankers here, foreign investors are taking advantage of low Italian prices following the Lira's decline against other European currencies. Italian shares have become increasingly attractive as prospects for an industrial and financial recovery here improve.

A series of financial developments in the past few weeks have helped to encourage a new wave of optimism on the Milan bourse, from the unexpected success of Olivetti's recent L40bn rights issue to reports of Arab investment in Montedison and rumours of a spectacular oil strike by the ailing chemicals group offshore of Sicily.

Fiat gave a fillip to the market earlier this month when it announced that the breakdown value of its shares had more than doubled since the start of 1978. This was the result of an increase in the book value of its assets brought to light by the planned detachment of its car operations and the creation of a separate automobile subsidiary.

As of January 1, 1979, the breakdown value of the Fiat share is estimated at L9,479, more than four times the shares' bourse price at the start of this month. Since then, Fiat's share price has risen by more than 50 per cent, closing today at L3,130 against L2,040 on September 1.

### Amro Bank rights

The shares of Amsterdam-Rotterdam Bank closed at Fl 83.80 on the Amsterdam bourse to-day following news that the bank plans a one-for-ten rights issue of 2.15m shares at Fl 87 a share to raise around Fl 140m, our financial staff writes.

The new shares will rank for the final dividend for 1978. The interim dividend was Fl 2.40 per Fl 20 nominal share or Fl 1.20 in cash and Fl 0.50 in shares from the share premium reserve.

### Meneba higher

Meneba, the Dutch flour and foodstuffs producer, ended the first half of this year with a net profit of Fl 800,000. In the same period of last year, the loss had amounted to Fl 6.1m, writes Michael van Os from Amsterdam. The company, which is still rationalising its activities, said the improvement in its pre-tax results had been more pronounced in the first half of 1978. Its overall loss amounted to Fl 8.6m in 1977.

AUSTRIAN NATIONALISED INDUSTRIES

## Rationalisation and redeployment

BY PAUL LENDVAI IN VIENNA

AUSTRIA'S powerful nationalised industries are finding it increasingly difficult to base their long-term investments on the assumption of continued self-financing.

Floating a Sch500m ($35m) bond issue for the financing of investments in the steel industry, the Director General of OIAG, the holding company for the nationalised sector, Mr. Oskar Gruenwald, issued a public appeal for what he described as an "appropriate financial assistance" by the federal State.

The point is that the cash-flow of the OIAG subsidiaries should provide about 75 per cent of investments, which in the next five years are put at Sch40bn. However, in case of continued depression on the steel markets, the flagship of the entire sector, namely the Voest-Alpine steel concern, would not be able to attain the requisite percentage.

Announcing this, the Director-General added that OIAG will provide Voest-Alpine with Sch1bn this year, in order to help the financing of the medium-term steel investment programme. Despite a 12 per cent rise in turnover during the January-June period, the earnings situation is still unsatisfactory, particularly in the special steel sector.

The report on performance of the entire nationalised sector in the first half of 1978 compared with the same period last year indicates that the overall picture is mixed. Sales during the recorded period were up by 7.7 per cent, export by 10 per cent, and the order book by 7 per cent, while labour force remained virtually unchanged at 115,000.

Even these figures cannot really reflect the key position that OIAG holds in the nationalised industries in the Austrian economy. The companies directly nationalised accounted last year, for example, for 22.4 per cent of the Austrian exports total. A year earlier the percentage was even higher, namely 23.7 per cent. Six of the 10 largest Austrian companies are fully state-owned. Turnover last year of OIAG as a whole reached Sch. 100bn, up 3.2 per cent on the previous year. Exports accounted for 36.3 per cent of the sales total, down by 1 per cent. Cash flow was down by 17 per cent from Sch 6.5bn to Sch 5.4bn.

**A record budget deficit and a difficult sales situation underlines the need for ruthless rationalisation as well as new technologies and growth markets for Austria's nationalised sector. Radical redeployment of capacity and labour, however, is difficult because of regional aspects**

It is against this background that the current debates about the future shape of the nationalised industries must be seen. The steel industry, non-ferrous metals and parts of the chemicals sectors are in serious difficulties. By contrast, oil, machinery and engineering as well as the electrical branches are doing well.

Voest-Alpine last year suffered a loss of over Sch 1bn and an Austrian commentator estimated that without "window dressing" and balance sheet adjustments Voest-Alpine, including its special steel subsidiary (Vereinigte Edelstahlwerke) and Chemie Linz would have suffered a net loss in the region of Sch 3bn. In any case, the dividend income of OIAG last year was Sch 247m as against Sch 215m and that had to be spent on debt servicing. The Sch 1bn finance provided for the steel sector by OIAG indicates that without help by the federal state, the financial resources of the steel holding company would have been exhausted.

Austrian Chancellor Dr. Bruno Kreisky gave much needed political backing for Mr. Gruenwald who only recently took over as the chief of the holding company. Dr. Kreisky warned that, in the long run, the nationalised industry cannot operate with losses and that it would be better to invest in the future-oriented growth sector than to pump money into plants with structural deficits.

A radical redeployment of capacity and labour is difficult because of regional aspects. Austria consists of nine provinces (Laender) and each region fights for the saving of even ailing State-owned factories. Job security and full employment are also regarded as sacred priorities by a socialist government. However, Chancellor Kreisky spoke out in favour of more cooperation between the nationalised sector and foreign companies. Innovation and new products are necessary and the Government supports joint ventures with foreign companies provided that they do not lead to the liquidation of domestic production facilities. Specifically, the Chancellor mentioned the joint venture of Steyr-Daimler-Puch and the West German BMW company in the motor industry. Steyr is not a nationalised company, but is controlled by the Creditanstalt-Bankverein which, however, is controlled in turn by the federal state.

All state owned companies are faced with a new situation. In view of the difficult sales situation and a record deficit in the Austrian budget, the nationalised sector is faced with the need for ruthless rationalisation a search for new technologies and growth markets. As Chancellor Kreisky put it last week at a conference over the future of the nationalised industries: it is not possible to award major orders "in a grand style" and yet at the same time also to give subsidies for the ailing steel industry.

## Malaysia seeks new partner for oil field

By Wong Sulong
KUALA LUMPUR, Sept. 20.

THE MALAYSIAN Government is seeking a new partnership with a foreign oil company, to develop an oil field, in place of that given up recently by the consortium formed by Continental Oil Company, of the U.S., and Broken Hill Proprietary, of Australia.

Malaysia's Deputy Prime Minister, Dr. Mahathir, who leaves tomorrow as leader of an investment promotion mission to the U.S., plans to meet oil executives in Houston to discuss, among other matters, the possibility of their participation in developing the oil field.

The Conoco-BHP consortium struck oil in Malaysian waters in the South China Sea in 1972, but gave up its concession in August when it failed to reach a production sharing agreement with Petronas, the Malaysian national oil company.

The consortium had demanded betters terms than those given to other foreign oil companies, claiming that its field was a marginal one, but this was rejected by Petronas.

The consortium claimed that the field had 20m barrels of recoverable oil, while Petronas believed it to have more than 50m barrels.

Dr. Mahathir said that the Government was in no hurry to develop the Conoco-BHP field, as Malaysia was already a net oil exporter.

Moreover, most of the oil revenue was being invested overseas, for fear of fuelling inflation in the local economy.

### Tan Chong Motors

Tan Chong Motors, the assembler and distributor of Datsun cars in Malaysia and Singapore reports a 31 per cent rise in half-year pre-tax profits to 10.9m ringgits (U.S.$ 4.7m), writes Wong Sulong from Kuala Lumpur.

Group sales for the first-half rose by 59 per cent to 137m ringgits, with sales from both Malaysia and Singapore contributing solidly to this record.

Some 63 per cent of the profits came from the Malaysian operations, and the rest from Singapore. Profit margins were reduced by the sharp appreciation of the yen, the company says.

Tan Chong expects profits for the whole year to "show a satisfactory improvement" over its record pre-tax profit of 21m ringgits achieved last year.

## Elder Smith earnings up despite lower wool clip

BY JAMES FORTH SYDNEY, September 20.

AUSTRALIA'S LARGEST pastoral house, Elder Smith Goldsbrough Mort, raised its earnings almost 12 per cent, from A$ 9.1m to A$ 10.2m (US$ 11.9m) in the year to June 30. The improvement is still well below the peak earnings of A$ 11.16m in 1972-73, and came from activities other than the pastoral side.

The directors said that profits from the pastoral house business were almost steady, with improved livestock commissions offset by lower returns from woolbroking and slightly higher costs despite improved efficiency.

Higher sheep and cattle prices and an increase in the number of cattle sold resulted in improved livestock earnings. But profits from woolbroking were lower because of the smaller wool clip, reflecting dry conditions for much of the year.

The directors added that the better seasonal conditions over much of the continent and the improved livestock and wool prices should assist the trading results of the pastoral business this year.

Profits from the non-rural group were mostly at a satisfactory level, particularly from the steel and metals distribution, merchant banking and other finance, and char manufacture. However, the board said that no immediate substantial growth was expected from the non-rural business.

The dividend is held at 14 cents a share—and is covered by earnings of 29 cents, compared with 26 cents in the previous year.

Group sales rose by 15 per cent to A$1.39bn (U.S.$1.6bn). The result was aided by a drop in the tax provision from A$5.47m to A$4.76m, reflecting a tax saving of A$1.08m from the trading stock valuation adjustment.

## Debenture below 10%

BY OUR OWN CORRESPONDENT SYDNEY, Sept. 20.

Commonwealth Industrial Gases has become the first industrial company since 1973 to seek fixed interest funds at less than 10 per cent. The directors today announced an A$10m placement of debentures offering 9.9 per cent for five-year maturities, 10 per cent for seven-year and 10.2 per cent for 12-year.

While CIG is a prime borrower, it would rank in the category of CSR, which is currently seeking up to A$30m with a cash and conversion issue offering 10.2 per cent for four years, 10.3 per cent for six years and 10.4 per cent for eight years.

Industrial interest rates have been falling since late last year in line with the decline in the yield on the Government long-term bond rate—the interest rate benchmark. The long-term corporate rate has fallen in that time from close to 12 per cent to around 10.25-10.50 per cent.

With the inflation rate still coming down, and forecast to reach around 5 per cent by mid-1979, the outlook is for continued steady reduction in interest rates.

## Growth at Israel Discount Bank

BY L. DANIEL TEL AVIV, Sept. 20.

THE ISRAEL DISCOUNT Bank—the country's third largest—reports that its consolidated balance sheet, which covers Barclays Discount, the Mercantile Bank and other local subsidiaries, as well as its overseas ones, more than doubled in the year to June 30, 1978, to reach I£94.5m ($5.4m). This is a rate of growth exceeding both the rate of inflation and the devaluation of the Israeli pound in the period.

The bank's capital and reserves, including capital notes and minority rights, reached I£2.17bn, to show a gain of 66.5 per cent during the 12 months.

However, since June 30 a further I£500m has been raised by the recent combined flotation of the bank and the Israel Discount Bankholding Corporation.

Deposits rose by 125 per cent

## Advance at General Tire South Africa

By Richard Rolfe
JOHANNESBURG, Sept. 20.

GENERAL TIRE and Rubber, the South African associate of General Tire of the U.S., has reported improved profits for the six months to June 25, flowing largely from the increased volume of new automobile sales over the period. With turnover up from R24.8m to R35.2m ($40.8m), pre-tax profits rose from R3.2m to R3.7m ($4.3m). Allowing for tax and outside shareholders, the net attributable figure was up from R1.7m to R2m.

Earnings per share for the half-year picked up from 56c to 67c, and the interim dividend has been boosted from 15c to 20c. The outcome for the full year, however, is expected to be little different from the 191c earnings achieved in the year to end-December. The rise in the interim dividend, which does not appear to have been to even out the difference between the interim and final payments, suggests that the total for the year could be ahead of the 35c paid in 1977. At 650c, the shares, which have come up from their 255c low, yield 5.4 per cent and have been one of the star performers in the local market.

The group's industrial rubber division, Pigott Maskew, has been the weak spot in the overall profit performance, and operated at a loss for part of the half-year. Hence the tyre division has been instrumental in its contribution to the latest figures. The rise in the gold price and ensuing stimulus to gold production is expected to benefit Pigott Maskew's current performance.

### Abercom contract

The engineering group, Abercom, has announced that its subsidiary L. and F. Metter has been awarded an R22m contract for the construction of a jumbo jet service hangar complex at Jan Smuts Airport in Johannesburg, writes Richard Rolfe from Johannesburg. The contract was won against competition which has included tenders from Taiwan. The project, scheduled for completion in 1982, will accommodate six Boeing 747s and will probably be the largest of its kind in the world.

The contract provides substantial work for Abercom, whose turnover last year to June 30 was just under R100m.

## Kloeckner Werke reports all-round improvement

BY GUY HAWTIN FRANKFURT, Sept. 20.

KLOECKNER Werke, West Germany's third largest steel producer, has reported a major improvement in production, earnings, and the inflow of orders during the past 12 months. This is despite the fact that the German steel industry, like all of its European counterparts, has been going through the worst recession since the end of the war.

A statement from the group to-day said that during the past few months, output, bookings and results had all been well above the level of 1977. For the business year 1977-78, which ends on September 30, crude steel production—which has stagnated throughout German industry—was expected to show a 10 per cent increase on the previous business year's performance to reach 4m tonnes.

The company also said that its wholly-owned and partly-owned subsidiaries outside the steel sector will finish the financial year with positive results. Eisenwerk Gesellschaft Maximilianshütte has now achieved profitability, Kloeckner said, adding it will take up the remaining 49 per cent stake in Maxhuette it does not hold on January 1, 1979.









## SELECTED EURODOLLAR BOND PRICES
## MID-DAY INDICATIONS

| STRAIGHTS | Bid | Offer |
|---|---|---|
| Alcan Australia 9½pc 1989 | 97¼ | 98¼ |
| AMEV 8pc 1987 | 94¾ | 95¾ |
| Australia 8½pc 1992 | 94 | 94¾ |
| Australian M. & S. 9½pc '92 | 98¼ | 99¼ |
| Barclays Bank 8½pc 1992 | 95¼ | 96¼ |
| Bowater 9½pc 1992 | 98¼ | 99 |
| Can. N. Railway 8½pc 1986 | 95¼ | 96¾ |
| Credit National 8½pc 1986 | 97½ | 98 |
| [illegible] | [illegible] | [illegible] |

| | Bid | Offer |
|---|---|---|
| Norway 7¼pc 1982 | 94½ | 95 |
| Ontario Hydro 8pc 1987 | 93½ | 94½ |
| Singer 8½pc 1982 | 98 | 98½ |
| S. of Scot. Elec. 8½pc 1981 | 98 | 98½ |
| [illegible] | [illegible] | [illegible] |

| | Bid | Offer |
|---|---|---|
| Lloyds 1983 8 15/16pc | 99¼ | 100¼ |
| LTCB 1983 9 1/16pc | 99¼ | 99¾ |
| Midland Int. FS '87 8 9/16pc | 98¾ | 99¼ |
| Midland Int. FS '92 9 7/16pc | 98¾ | 99 |
| [illegible] | [illegible] | [illegible] |

| | Bid | Offer |
|---|---|---|
| Gillette 4½pc 1987 | 76¼ | 78 |
| Gulf and Western 5pc 1988 | 87½ | 89 |
| Harris 5pc 1992 | 225 | 227 |
| Honeywell 6pc 1986 | 53½ | 57 |
| ICI 6¾pc 1992 | 88 | 90 |
| INA 6pc 1997 | 88½ | 90 |
| Inchcape 6¾pc 1992 | 114 | 115 |
| ITT 4½pc 1987 | 76¼ | 80 |
| [illegible] | [illegible] | [illegible] |

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

## PRIVREDNA BANKA SARAJEVO UDRUŽENA BANKA

**U.S. $30,000,000**

EURODOLLAR LOAN

MANAGED BY

CITICORP INTERNATIONAL GROUP
BANKAMERICA INTERNATIONAL GROUP
CANADIAN AMERICAN BANK S.A.
MANUFACTURERS HANOVER LIMITED
TORONTO DOMINION BANK
WELLS FARGO LIMITED

PROVIDED BY

| | |
|---|---|
| CITIBANK, N.A. | BANK OF AMERICA NT & SA |
| CANADIAN AMERICAN BANK S.A. | MANUFACTURERS HANOVER TRUST COMPANY |
| TORONTO DOMINION BANK | WELLS FARGO BANK, N.A. |

CITICORP INTERNATIONAL BANK LIMITED
AGENT

AUGUST 10, 1978

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

FE-NI

## RUDNICI I INDUSTRIJA ZA NIKEL, CELIK I ANTIMON, FENI, KAVADARCI

**U.S. $50,000,000**

EURODOLLAR LOAN

GUARANTEED BY

JUGOBANKA OSNOVNA BANKA SKOPJE
AND
STOPANSKA BANKA-ZDRUZENA BANKA SKOPJE

MANAGED BY

CHASE MANHATTAN LIMITED
CITICORP INTERNATIONAL GROUP
MORGAN GUARANTY TRUST COMPANY OF NEW YORK

PROVIDED BY

| | |
|---|---|
| THE CHASE MANHATTAN BANK N.A. | CITIBANK, N.A. |
| MORGAN GUARANTY TRUST COMPANY OF NEW YORK | THE BANK OF NOVA SCOTIA CHANNEL ISLANDS LIMITED |
| BANK OF AMERICA N.T. & S.A. | MITSUI BANK LIMITED |

CITICORP INTERNATIONAL BANK LIMITED
AGENT

AUGUST 10, 1978

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

## HELLENIC AEROSPACE INDUSTRY LTD.

**U.S. $80,000,000**

EURODOLLAR LOAN

GUARANTEED BY

THE GREEK STATE

MANAGED BY

CITICORP INTERNATIONAL GROUP
BANKERS TRUST INTERNATIONAL LIMITED
CONTINENTAL ILLINOIS LIMITED
UNION DE BANQUES ARABES ET FRANCAISES – U.B.A.F.

CO-MANAGED BY

ASSOCIATED JAPANESE BANK (INTERNATIONAL) LIMITED
ATLANTIC INTERNATIONAL BANK LIMITED
MIDLAND BANK LIMITED

PROVIDED BY

| | |
|---|---|
| CITIBANK, N.A. | CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO |
| B.T. ASIA LIMITED | ASSOCIATED JAPANESE BANK (INTERNATIONAL) LIMITED |
| ATLANTIC INTERNATIONAL BANK LIMITED | MIDLAND BANK LIMITED |
| UNION DE BANQUES ARABES ET FRANCAISES – U.B.A.F. | THE BANK OF NOVA SCOTIA |
| GULF INTERNATIONAL BANK B.S.C. | THE NIPPON CREDIT BANK, LTD. |
| JAPAN INTERNATIONAL BANK LIMITED | PROVINCIAL BANK OF CANADA (INTERNATIONAL) LIMITED |
| THE TOKAI BANK, LIMITED | UBAF ARAB AMERICAN BANK |
| UBAF BANK LIMITED | UBAN-ARAB JAPANESE FINANCE LIMITED |

CITICORP INTERNATIONAL BANK LIMITED
AGENT

SEPTEMBER 8, 1978

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

## THE CENTRAL BANK OF THE DEMOCRATIC REPUBLIC OF MADAGASCAR

**U.S. $29,600,000**

MEDIUM TERM LOAN

MANAGED BY

CITICORP INTERNATIONAL GROUP
AMEX BANK LIMITED
SEATTLE-FIRST NATIONAL BANK
CHASE MANHATTAN LIMITED
SOCIETE CENTRALE DE BANQUE

CO-MANAGED BY

BANKERS TRUST INTERNATIONAL LIMITED
THE MERCANTILE BANK OF CANADA

PROVIDED BY

CITIBANK, N.A.

| | |
|---|---|
| SEATTLE-FIRST NATIONAL BANK | THE CHASE MANHATTAN BANK, N.A. |
| THE MERCANTILE BANK OF CANADA | BANKERS TRUST COMPANY |
| AMEX BANK LIMITED | AMERICAN SECURITY BANK INTERNATIONAL LIMITED |
| PIERSON, HELDRING & PIERSON (HONG KONG) LIMITED | SOCIETE CENTRALE DE BANQUE |

CITICORP INTERNATIONAL BANK LIMITED
AGENT

AUGUST 1978

## COMPANY NOTICES

CHILEAN EXTERNAL LONG TERM DEBT LAW NO. 8962

CHILEAN 4½% LOAN 1895

NOTICE IS HEREBY GIVEN that a Drawing of Bonds of the above loan took place on 12th September, 1978, attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public, when the following bonds were drawn for redemption at par on 1st October, 1978, from which date all interest thereon will cease:—

[illegible]

SPANISH 4% EXTERNAL LOAN (1974) ISSUE

The coupons due 1st October, 1978, may be presented for payment at Banco Español en Londres S.A., 60, London Wall, London EC2P 2JB, between the hours of 10.00 a.m. and 2.00 p.m.

BANCO ESPAÑOL EN LONDRES, S.A.

21st September, 1978.

SIDRO

[illegible]

HITACHI LIMITED

8¼% CONVERTIBLE UNSECURED LOAN STOCK 1977

NOTICE TO HOLDERS OF BEARER DEPOSITARY RECEIPTS

[illegible]

DATED 21st September 1978.

N.V. ENGELSCH-HOLLANDSCHE BELEGGINGS TRUST (English and Dutch Investment Trust) Established in Amsterdam

[illegible]

HOLLANDSE KOOPMANSBANK N.V.

21st September, 1978.

## LEGAL NOTICES

[illegible]

G. F. GLOAK, King's Beam House, 39-41, Mark Lane, London EC3R 7HE. Solicitor to the Petitioners.

[illegible]



## ART GALLERIES

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FINE ART SOCIETY, 148, New Bond St., W.1. 01-629 5116. CHARLES RENNIE MACKINTOSH. Also Scottish Painting 19th-20th Century.

J.P.L. FINE ARTS, 24, Davies Street, W.1. 01-493 2630. JULIAN COOPER recent watercolours. Sept. 12-Oct. 6. Mon.-Fri. 10-6.

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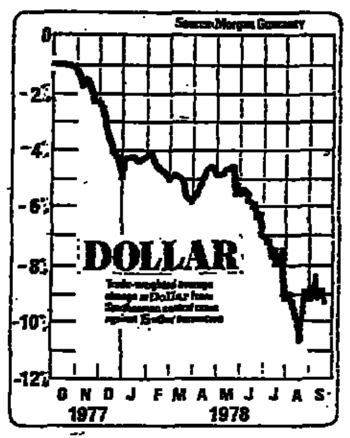
# Currency, Money and Gold Markets

## Dollar continues to weaken

Possible problems over the Middle East peace agreement continued to depress the dollar in the foreign exchange market yesterday. The Swiss franc was very firm, with its trade-weighted appreciation, on Morgan Guaranty figures, rising to a record 104.1 per cent from 101.2 per cent. The dollar's depreciation, on the same basis, widened to 9.3 per cent from 8.9 per cent. Several European central banks probably intervened to help the dollar, and one or two members of the European currency snake also required help, as a consequence of the D-mark's overall strength. The Dutch guilder and Belgian franc both touched their floor against the German currency.

The dollar fell to DM 1.9550 against the D-mark, before closing DM 1.9615, compared with DM 1.9745 previously, while the U.S. currency touched a record low of SwFr 1.5330 in terms of the Swiss franc, and finished at SwFr 1.5380, compared with SwFr 1.5700 on Tuesday.




Sterling was generally firm, with its index rising to 63.3 at noon, on Bank of England figures, before finishing at 63.2, compared with 62.9 on Tuesday. The pound opened at $1.9640-1.9650 and touched a high point of $1.9840-1.9850 at noon, before closing at $1.9785-1.9795, a rise of 1.65 cents on the day and the best finishing level for over a month.

FRANKFURT—The Bundesbank did not intervene as the dollar was fixed at DM 1.9582 against the D-mark, compared with DM 1.9720 previously. Trading was fairly hectic throughout the fixing session, while the rise of the D-mark coupled with speculation ahead of the European monetary system unveiling put further pressure on the Dutch guilder and the Belgian franc, which hovered around its lower intervention point of DM 6.343.

AMSTERDAM—The Dutch authorities gave an estimated DM 120m support to the guilder, which touched its lowest permitted level against the D-mark within the European currency snake. Over the past three days central bank D-mark sales are estimated at over DM 370m. The dollar fell to Fl 2.1275 against the guilder from Fl 2.1430 on Tuesday.

BRUSSELS — There was no official intervention by the central bank as the Belgian commercial franc was fixed at its lowest intervention point against the D-mark within the terms of the European joint float agreement. It was officially priced at BFr 15.765 against the German currency, in anticipation of a general realignment of exchange rates, if a new European monetary system is to be established. At the fixing the dollar fell to BFr 30.8750 from BFr 31.080 previously, and the French franc was fixed at BFr 7.0680, against BFr 7.0950 on Monday.

PARIS—The dollar fell to FFr 4.3660 against the French franc at the fixing, compared with FFr 4.3840 on Tuesday. The D-mark was fixed at FFr 2.2309, compared with FFr 2.2225 previously.

MILAN—The Swiss franc touched a record high against the lira at L537.95 compared with the previous day's fixing level of L528.64. The dollar continued Tuesday's downward trend, and was fixed at L826.70 yesterday, compared with L830.70 previously. The Bank of Italy sold most of the $20.1m traded at the fixing, helping to push the U.S. currency close to its low for the year.

TOKYO—The dollar eased against the Japanese yen in moderate trading, finishing at Y190.02½, compared with Y190.87½ on Tuesday. After opening at Y190, the U.S. currency touched a low point of Y189.65, but recovered slightly towards the close.

### THE POUND SPOT

[illegible]

Belgian rate is for convertible francs. Financial franc 62.75-62.85.

### FORWARD AGAINST £

[illegible]

Six-month forward dollar 1.85-1.95c pm. 12-month 4.40-4.30c pm.

### THE DOLLAR SPOT

[illegible]

* U.S. cents per Canadian $.

### FORWARD AGAINST $

[illegible]

### CURRENCY RATES

[illegible]

### CURRENCY MOVEMENTS

[illegible]

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

### OTHER MARKETS

| Sept. 20 | £ | $ | | Note Rates |
|---|---|---|---|---|
| Argentina Peso | 1,687-1,691 | 852.45-854.47 | Austria | 27.50-28.50 |
| Australia Dollar | 1.7103-1.7160 | 0.8657-0.8668 | Belgium | 62.60-63.50 |
| Finland Markka | 8.02-8.04 | 4.0625-4.0665 | Denmark | 10.00-10.25 |
| Brazil Cruzeiro | 37.50-38.50 | 18.95-19.45 | France | 8.60-8.70 |
| Greece Drachma | 71.677-73.429 | 36.22-37.10 | Germany | 3.84-3.94 |
| Hong Kong Dollar | 9.38-9.40 | 4.74-4.75 | Italy | 1600-1650 |
| Iran Rial | 135-141 | 68.22-71.25 | Japan | 370-380 |
| Kuwait Dinar (KD) | 0.532-0.542 | 0.2688-0.2739 | Netherlands | 4.15-4.25 |
| Luxembourg Franc | 61.20-61.30 | 30.93-30.96 | Norway | 10.20-10.30 |
| Malaysia Dollar | 4.5950-4.5400 | 2.2960-2.2980 | Portugal | 88-104 |
| New Zealand Dollar | 1.8635-1.8705 | 0.9438-0.9465 | Spain | 144-148 |
| Saudi Arabia Riyal | 6.50-6.60 | 3.28-3.33 | Switzerland | 3.00-3.10 |
| Singapore Dollar | 4.42-4.43½ | 2.2450-2.2460 | United States | 1.9700-1.9800 |
| South African Rand | 1.7087-1.7346 | 0.8654-0.8766 | Yugoslavia | 38.00-41.00 |

Rate given for Argentina is free rate.

### EXCHANGE CROSS RATES

| Sept. 20 | Pound Sterling | U.S. Dollar | Deutsche Mark | Japanese Yen | French Franc | Swiss Franc | Dutch Guilder | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 1.979 | 3.885 | 374.0 | 8.645 | 3.045 | 4.223 | 1636. | 2.316 | 61.25 |
| U.S. Dollar | 0.505 | 1. | 1.963 | 189.0 | 4.368 | 1.539 | 2.134 | 826.7 | 1.170 | 30.95 |
| Deutsche Mark | 0.257 | 0.509 | 1. | 96.27 | 2.225 | 0.784 | 1.087 | 421.1 | 0.596 | 15.77 |
| Japanese Yen 1,000 | 2.674 | 5.291 | 10.39 | 1000. | 23.11 | 8.142 | 11.29 | 4374. | 6.189 | 163.8 |
| French Franc 10 | 1.157 | 2.289 | 4.494 | 432.6 | 10. | 3.522 | 4.884 | 1892. | 2.677 | 70.86 |
| Swiss Franc | 0.328 | 0.650 | 1.276 | 122.8 | 2.839 | 1. | 1.387 | 537.3 | 0.760 | 20.11 |
| Dutch Guilder | 0.237 | 0.469 | 0.920 | 88.57 | 2.047 | 0.721 | 1. | 387.4 | 0.548 | 14.51 |
| Italian Lira 1,000 | 0.611 | 1.210 | 2.375 | 228.6 | 5.284 | 1.861 | 2.581 | 1000. | 1.415 | 37.44 |
| Canadian Dollar | 0.432 | 0.855 | 1.679 | 161.6 | 3.735 | 1.316 | 1.824 | 706.8 | 1. | 26.46 |
| Belgian Franc 100 | 1.633 | 3.231 | 6.343 | 610.6 | 14.11 | 4.971 | 6.894 | 2671. | 3.779 | 100. |

### EURO-CURRENCY INTEREST RATES*

| Sept. 20 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | West German Mark | French Franc | Italian Lira | Asian $ | Japanese Yen |
|---|---|---|---|---|---|---|---|---|---|---|
| Short term | 14½-15¼ | [illegible] | 8¾-9¼ | 4½-5 | par-¼ | [illegible] | 7⅛-7⅝ | 12-15 | | [illegible] |
| 7 day's notice | 11¾-12¼ | [illegible] | 8¾-9¼ | 4½-5 | par-¼ | [illegible] | 7⅜-7⅝ | 11¾-12¾ | [illegible] | [illegible] |
| Month | 11½-12¼ | [illegible] | [illegible] | 5¼-5½ | [illegible] | [illegible] | [illegible] | 11¾-12¾ | [illegible] | 1⅛-1¼ |
| Three months | 11⅞-12⅜ | [illegible] | [illegible] | 6¼-6½ | [illegible] | [illegible] | 8¾-9 | 12-13 | [illegible] | [illegible] |
| Six months | 12⅛-12½ | [illegible] | [illegible] | [illegible]-7 | [illegible] | [illegible] | 9⅜-9⅝ | 12¼-13¼ | [illegible] | [illegible] |
| One year | 12¼-12¾ | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 9⅜-9½ | 13-14 | [illegible] | [illegible] |

The following nominal rates were quoted for London dollar certificates of deposit: One month 8.75-8.90 per cent; three months 8.90-9.00 per cent; six months 9.15-9.25 per cent; one year 9.15-9.25 per cent.

Long-term Eurodollar deposits: two years 9¼-9½ per cent; three years 9½-9¾ per cent; four years 9½-9¾ per cent; five years 9½-9¾ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

## Fed signals tighter policy

The New York Federal Reserve Bank signalled an apparent tightening in monetary policy yesterday when it entered the market by making overnight reverse repurchase orders. This action was intended to drain funds from the system and Federal funds were trading at 8¾-8⅞ per cent compared with 8 9/16 per cent on Tuesday.

Treasury bills were generally higher with 13-week bills at 7.99 per cent compared with 7.92 per cent in early dealings on Tuesday and 7.94 per cent later on. 26-week bills were also firmer at 8.07 per cent from 8.01 per cent early on Tuesday and 8.02 per cent towards the close. One year bills rose to 8.05 per cent from 8.02 per cent. One-month certificates of deposit stayed at 8.50 per cent while the two-month rate rose to 8.65 per cent from 8.60 per cent. Three-month certificates were unchanged at 8.75 per cent.

Bankers acceptance offered rates rose to 8.40 per cent from 8.35 per cent for 30-days and 8.45 per cent against 8.40 per cent for 60-days. The 90-day rate was also firmer at 8.50 per cent from 8.45 per cent as was the 120-day rate at 8.55 per cent compared with 8.50 per cent. 150-day was quoted at 8.60 per cent from 8.55 per cent and 180-day at 8.65 per cent against 8.60 per cent. High grade commercial paper was unchanged throughout.

BRUSSELS—Deposit rates for the Belgian franc (commercial) were generally firmer with one-month at 6⅞-7 per cent compared with 6⅝-6⅞ per cent. Three-month deposits eased to 7¼-7½ per cent from 7½-7¾ per cent although the six-month rate rose to 7 7/16-7 9/16 per cent from 7⅜-7½ per cent. One-year deposits were also firmer at 7 9/16-7 11/16 per cent against 7½-7⅝ per cent previously. Call money was somewhat easier at 4.30 per cent from 4.85 per cent on Tuesday.

PARIS—Call money rose slightly to 7⅛ per cent compared with 7 per cent on Tuesday. One and three-month rates were unchanged at 7 3/16-7 5/16 per cent and 7 5/16-7 7/16 per cent respectively, as was six-month money at 7 11/16-7 13/16 per cent. One-year money showed a slightly firmer trend at 8 5/16-8 7/16 per cent against 8¼-8⅜ per cent.

AMSTERDAM—Interbank money market rates were generally firmer with call money at 5-5¼ per cent, unchanged from Tuesday, while one-month rose to 5¾-6¼ per cent from 5⅜-5⅝ per cent. The three-month rate was also firmer at 6¾-7 per cent compared with 6⅜-6⅝ per cent and one-year money rose to 7¼-7½ per cent against 6¾-7 per cent.

FRANKFURT—Call money was slightly easier at 3.45-3.50 per cent in the interbank market, compared with 3.45-3.55 per cent on Tuesday. Longer term rates were all unchanged.

HONG KONG—Conditions in the money market were again tight with call money at 6¾ per cent against 6¼ per cent on Tuesday and overnight business at 6½ per cent compared with 6⅜ per cent.

UK MONEY MARKET

## Large assistance

Bank of England Minimum Lending Rate 10 per cent (since June 8, 1978)

Day to day credit was in short supply in the London money market yesterday and discount houses experienced some difficulty in obtaining funds before the authorities gave assistance by buying a large amount of Treasury bills and a small number of corporation bills, all direct from the houses. Total assistance was termed as large. Discount houses were paying up to 9 per cent for secured call loans at one point before closing balances were taken at around 7-7½ per cent.

The market was faced with a sizeable excess of revenue transfers to the Exchequer over Government disbursements and banks brought forward balances slightly below target. On the other hand, there was a slight fall in the note circulation.

In the interbank market overnight loans opened at 8¼-8½ per cent and eased to 8-8½ per cent before the forecast of a sizeable shortage pushed rates up to 8¾-9 per cent. Rates stayed above 8¼ per cent until late afternoon when funds were on offer down to ¼ per cent. Period rates saw little activity and were largely unchanged.

Rates in the table below are nominal in some cases.

### LONDON MONEY RATES

| Sept. 20 1978 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Local Auth. negotiable bonds | Finance House Deposits | Company Deposits | Discount market deposit | Treasury Bills ♦ | Eligible Bank Bills ♦ | Fine Trade Bills ♦ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

[illegible]

Approximate selling rates for one-month Treasury bills [illegible]

Local authority and finance houses seven days' notice, others seven days' fixed. [illegible]

Finance House Base Rates (published by the Finance Houses Association) 10 per cent from September 1, 1978. Clearing Bank Deposit Rates for small sums at seven days' notice 6.7 per cent. Clearing Bank Base Rates for lending 10 per cent. Treasury Bills: Average tender rates of discount 8.9470.

GOLD

## Further rise

Gold rose $1 to $213¾-214¼ as the dollar continued to weaken yesterday. The metal was fixed at $213.50 (£107.899) in the morning, and at $213.60 (£107.895) in the afternoon. It touched a high point of $213¾-214¼ twice during the day, first after the morning fixing and also following the afternoon fixing. Trading was generally busy.

In Paris the 12½-kilo gold bar was fixed at FFr 29,800 per kilo ($212.29 per ounce) in the afternoon, compared with FFr 29,650 ($210.90) in the morning, and FFr 29,430 ($208.93) Tuesday afternoon. In Frankfurt the 12½-kilo bar was fixed at DM 13,460 per kilo ($213.82 per ounce) compared with DM 13,430 ($211.83) previously.

| | Sept 20 | Sept. 19 |
|---|---|---|
| Gold Bullion (a fine ounce) | | |
| Close | $213¾-214¼ | $212¼-212¾ |
| Opening | $213-213½ | $211½-212 |
| Morning fixing | $213.50 (£107.899) | $211.10 (£107.305) |
| Afternoon fixing | $213.60 (£107.895) | $211.45 (£107.789) |
| Gold Coins domestically | | |
| Krugerrand | $221¼-225¼ | $219-221 |
| New Sovereigns | [illegible] | [illegible] |
| Old Sovereigns | [illegible] | [illegible] |
| Gold Coins internationally | | |
| Krugerrand | [illegible] | [illegible] |
| New Sovereigns | [illegible] | [illegible] |
| Old Sovereigns | [illegible] | [illegible] |
| $20 Eagles | [illegible] | [illegible] |
| $10 Eagles | [illegible] | [illegible] |
| $5 Eagles | [illegible] | [illegible] |

### MONEY RATES

NEW YORK

| | |
|---|---|
| Prime Rate | [illegible] |
| Fed Funds | [illegible] |
| Treasury Bills (13-week) | [illegible] |
| Treasury Bills (26-week) | [illegible] |

GERMANY

| | |
|---|---|
| Discount Rate | 3 |
| Overnight | [illegible] |
| One month | [illegible] |
| Three months | [illegible] |
| Six months | [illegible] |

FRANCE

| | |
|---|---|
| Discount Rate | 9.5 |
| Overnight | [illegible] |
| One month | [illegible] |
| Three months | [illegible] |
| Six months | [illegible] |

JAPAN

| | |
|---|---|
| Discount Rate | [illegible] |
| Call (Unconditional) | [illegible] |
| Bills Discount Rate | [illegible] |

جلد الأصل (?)

WORLD STOCK MARKETS

# Further widespread declines on Wall St.

**INVESTMENT DOLLAR PREMIUM**

**$2.60 to £1—90¼% (93¼%)**

**Effective $1.9790 44⅞% (45⅞%)**

AFTER AN initial technical rally, Wall Street succumbed to further worries about rising interest rates and closed broadly lower on balance following active trading.

The Dow Jones Industrial Average, having retreated 46 points over the past six business days from its 1978 high, recovered to 870.50 yesterday before falling afresh to 857.16, down 4.41 more on the day. The NYSE All Common Index finished 52 cents lower at $57.32, after an early rally to $57.94, while declines finally led gains by 1,158 to 352. Trading volume expanded to 35.22m shares from Tuesday's total of 31.66m.

The Federal Reserve brought upward pressure on key Federal Fund rates by making matched sales with funds trading at 8⅝ per cent bid, the presumed Fed target rate. Dealers said the Fed was raising the target rate to at least 8¾ per cent, thereby tightening credit. The Fed has recently raised the target several times in its fight against inflation and as a means of supporting the dollar.

Brokers said investors are apprehensive that steadily rising interest rates will stifle economic expansion and held lead to a recession. Rising interest rates have been a major cause of the recent stock market decline. Banks have recently raised the Prime Rate further to 9½ from 9¼ per cent and economists forecast further rises.

The market was also put off by President Carter's promise of a tough new anti-inflation plan and his remark that he believes the Administration will deliver income tax cuts of more than $25bn by the year-end. Analysts said investors had developed a consensus that $15bn to $16bn of cuts were sufficient and more would only add fuel to the inflationary fire.

Signs that the Camp David Mid-East peace agreements were facing mounting difficulties added to the weakness.

**Ramada Inns** continued its place at the end of the actives list, slipping 1¼ more to $12. Other Gaming shares continued to be hard hit. **Caesars World** sank 10⅞ to $36⅞, **Bally Manufacturing** 6⅞ to $47 and **Del E. Webb** 5⅞ to $23⅞.

Active **Kennecott Copper** climbed 1⅛ to $26⅛. **American Telephone**, also active, were unchanged at $60⅞—on Tuesday, it reported a sharp rise in profits for the three months ended August 31.

**General Motors** shed ⅝ to $62⅞, **Du Pont** 1⅞ to $120, **Exxon** ½ to $49⅞, **IBM** 2⅛ to $284⅞, **Kodak** 1⅛ to $62½ and **Polaroid** 4½ to $48⅞, while **Xerox**, which has agreed to buy its headquarters complex for $22.8m, declined 1¼ to $54.

THE AMERICAN SE Market Value Index gave up 2.75 more to 166.32. Volume 3.35m shares (5.18m).

**Resorts International "A"** came back a further 24½ to $127½ and the "B" were lower at $210. **Nortek** lost 2½ to $12⅞, **Golden Nugget** 4⅞ to $23⅞, **Showboat** 2⅞ to $24⅞ and **Prime Motor Inns** 2⅞ to $13⅞.

**Allied Artists** topped the actives list and added ⅜ at $5⅜.

## Canada

Numerous shares reacted afresh yesterday in another fairly active trade, with the Toronto Composite Index receding 10.1 more to 1,250.7. Oils and Gas came back a further 17.9 to 1,647.3, Metals and Minerals 12.8 to 1,051.9, Banks 1.38 to 292.60, Papers 1.87 to 140.40 and Utilities 1.29 to 189.38, but Golds provided a firm sector, up 12.7 at 1,648.1 on index.

**Dome Petroleum** fell 2½ to C$90½, **Scott Paper** 1¼ to C$33 and **Westburne** 1½ to C$34½, while **CP Investments**, C$23½, **Domtar**, C$21, and **Travelways**, C$12, lost C$1 apiece.

**Rembrandt Jewelry** added ¼ at C$5½. **Sagehill Investments** has offered C$5.75 for each Rembrandt share.

## Tokyo

After a firmer start, market relinquished further ground on fresh profit-taking and other selling. The Nikkei-Dow Jones Average was finally 30.60 lower at 5,622.11 and the Tokyo SE index down 1.83 more at 425.23. Turnover was light, with about 200m shares traded against Tuesday's level of 240m.

**Nippon Oil** fell Y18 to Y689, **Matsushita Electric** Y9 to Y716, **Toyo Brewery** Y32 to Y580, **Green Cross** Y70 to Y2,280, **Pioneer Electronic** Y30 to Y1,600, **Chiyoda Chemical Engineering and Construction** Y110 to Y900, **General Sekiyu** Y102 to Y999, **Kaken Chemical** Y90 to Y2,760, **Ono Pharmaceutical** Y80 to Y1,170 and **Arabian Oil** Y60 to Y1,750.

In marked contrast, **Prima Meat Packers** gained Y17 to Y469 and **Teikoku Oxygen** Y22 to Y224, while **Katakura Industries** improved Y46 to Y525, **Tokyo Electric** Y43 to Y413, **Fujita Tourist Enterprises** Y37 to Y420 and **Kanto Bank** Y30 to Y1,730.

## Paris

Market closed mixed but with a continuing softer bias, with the weakening of the franc and the increase in day to day money of ¼ to 7¼ per cent acting as adverse background factors.

Metals sustained fresh falls near the end of the session on confirmation of the French Government's plan to take greater control of France's steel industry. Steel shares were marked down on the day by 5 per cent on average. The Government said that owners of Steel companies "will become minority shareholders"—a move seen in industry circles as disguised nationalisation.

Constructions, however, strengthened, with **Lafarge** moving ahead 15.8 to FFr 220.0 on announcing a one-for-five scrip issue.

Foods also mainly performed well, with **Generale Occidentale** rising 15 to FFr 275.

In Oils, **BP Francaise** weakened by 4.27 per cent following news of a three-for-four share issue to raise FFr 290m.

## Germany

Stocks remained mostly in easier mood in fairly quiet conditions, the Commerzbank index slipping 3.7 more to 833.7.

Some participants said the market's decline was due to continuing consolidation moves, but professional traders said many investors were pulling out due to foreign exchange market uncertainties.

Electricals were led lower by **Siemens**, down DM 1.70, while Banks and Chemicals both recorded losses extending to DM 1.30. In Steels, **Thyssen** receded DM 1.90, while Engineering concern **Linde** lost DM 3 and **BMW**, in Motors, shed DM 3.10.

Stores were mixed, with **Kaufhof** managing a rise of DM 1.00 but **Karstadt** declining DM 2.50.

Domestic Bonds were again irregular, registering gains of up to 20 pfennigs and some small losses. The Regulating Authorities sold DM 14.5m nominal of paper (DM 8.9m). Mark Foreign Loans were very quiet with a slightly easier tendency.

## Milan

Numerous shares made further headway on continuing heavy demand, before late profit-taking brought some issues back sharply. The Banca Commerciale Italiana index, however, was still an impressive 2.13 higher on the day at 82.27, a new 1978 peak.

As on the previous day, the session lasted about two hours longer than usual because of feverish activity.

Demand was again focused on **Fiat**, 146 higher at L3,130, and **Italcementi**, 3,510 stronger at L23,510.

**Pirelli** rose 149 to L2,150 and **Finsider** 8.5 to L225, but **Snia Viscosa** finished 85.5 down at L1,074.5 and **Montedison** 22 off at L235.

## Australia

Industrials were predominantly firmer, but were overshadowed by fresh sharp gains in the Banks sector in response to greatly improved results from Commonwealth Bank, the first Bank to report under new disclosure arrangements.

The Commonwealth Bank's figures revealed around A$233m of hitherto secret reserves, and traders are reasoning that if the CBC, established as recently as 1912, could amass this quantity of hidden reserves, then the older Banks, like BNS Wales, established in 1817, must have three or four times as much.

**BNS Wales**, ahead of results due next month, soared to A$8.34 before ending a net 30 cents higher at A$8.20. **ANZ** closed 19 cents stronger at A$4.07, after touching A$4.20, while **CBA** advanced 12 cents to A$2.92, **National** 17 cents to A$3.02, and **CBC** 3 cents to A$2.10.

There were strong spots in Transports, Breweries, Pastorals and Properties, while Stores had **Woolworth** 4 cents firmer at A$1.70 and **G. J. Coles**, on news of Government approval for the K-Mart deal, 3 cents harder at A$2.35.

Minings retained an easier tendency, with Uraniums, reflecting the threat of further delays to the Ranger agreement, mainly losing ground. **Peko-Wallsend** declined 6 cents to A$6.40, **Queensland Mines** 10 cents to A$3.75 and **Pancontinental** 50 cents to A$14.30.

However, in Coals, **White Industries** rose 20 cents to A$4.70 on its recently-announced deal with Mitsubishi. **CRA**, on diamond exploration hopes, gained 6 cents at A$3.70, while Sugars provided a bright spot in **Bundaberg**, 15 cents up at A$3.65.

## Hong Kong

With UK-based institutions providing buying support, the market took a decisive turn for the better after its recent setback. The Hang Seng index recovered 18.81 to 642.57.

**Hongkong Bank** rose 80 cents to HK$20.20, **Jardine Matheson** 50 cents to HK$17.70, **Hong Kong Land** also 50 cents to HK$12.50 and **Swire Pacific "A"** 40 cents to HK$10.40.

**Hong Kong Wharf** recovered HK$1 to HK$32.50, while **Cheung Kong** advanced HK$1.10 to HK$13 and **China Light** 90 cents to HK$30.

## Switzerland

Bourse prices declined further in moderately active trading, reflecting the new record lows of the U.S. dollar and German mark against the Swiss franc.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax. ♦ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax. ♥ Pta 500 denom. unless otherwise stated. ♣ DKr 100 denom. unless otherwise stated. ♦ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

## NEW YORK

| Stock | Sept. 20 | Sept. 19 |
|---|---|---|
| [illegible] | [illegible] | [illegible] |

## GERMANY ♦

| Sept. 20 | Price Dm. | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| [illegible] | | | | |

## TOKYO ¶

| Sept. 20 | Prices Yen | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| [illegible] | | | | |

## AMSTERDAM

| Sept. 20 | Price Fls. | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| [illegible] | | | | |

## BRUSSELS/LUXEMBOURG

| Sept. 20 | Price Frs. | + or − | Div. Net | Yld. % |
|---|---|---|---|---|
| [illegible] | | | | |

## SWITZERLAND ♦

| Sept. 20 | Price Frs. | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| [illegible] | | | | |

## COPENHAGEN ♣

| Sept. 20 | Price Kroner | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| [illegible] | | | | |

## VIENNA

| Sept. 20 | Price % | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| [illegible] | | | | |

## MILAN

| Sept. 20 | Price Lire | + or − | Div. Lire | Yld. % |
|---|---|---|---|---|
| [illegible] | | | | |

## PARIS

| Sept. 20 | Price Frs. | + or − | Div. Frs. | Yld. % |
|---|---|---|---|---|
| [illegible] | | | | |

## STOCKHOLM

| Sept. 20 | Price Kronor | + or − | Div. Kr. | Yld. % |
|---|---|---|---|---|
| [illegible] | | | | |

## AUSTRALIA

| Sept. 20 | Aus. $ | + or − |
|---|---|---|
| ACMIL (25 cents) | †0.77 | ...... |
| Acrow Australia | †0.90 | +0.02 |
| AMATIL $1 | †2.20 | +0.05 |
| Ampol Exploration | †1.38 | −0.02 |
| Ampol Petroleum | †0.7 | ...... |
| Assoc. Minerals | †1.58 | ...... |
| Assoc. Pulp Paper $1 | †1.70 | +0.04 |
| [illegible] | | |

## BRAZIL

| Sept. 20 | Price Cruz | + or − | Cru. Div. | Yld. % |
|---|---|---|---|---|
| Acesita | 0.84 | −0.05 | 0.12 | 12.76 |
| Banco do Brazil | 1.75 | ...... | [illegible] | 9.14 |
| Banco Itau PN | 1.40 | ...... | [illegible] | 26.42 |
| Belgo Mineira OP | 1.13 | ...... | [illegible] | 7.07 |
| Lojas Amer. OP | 3.54 | −0.04 | [illegible] | 5.64 |
| Petrobras PP | 2.51 | −0.14 | [illegible] | 5.62 |
| Pirelli OP | 1.51 | ...... | 0.16 | 10.58 |
| [illegible] | | | | |

## OSLO

| Sept. 20 | Price Kroner | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| [illegible] | | | | |

## JOHANNESBURG

| September 20 | Rand | + or − |
|---|---|---|
| [illegible] | | |

Securities Rand $U.S.0.76½ (Discount of 33.7%)

## SPAIN ♥

| September 20 | Per cent | + or − |
|---|---|---|
| [illegible] | | |

# Indices

## NEW YORK—DOW JONES

| | Sept. 20 | Sept. 19 | Sept. 18 | Sept. 15 | Sept. 14 | Sept. 13 | 1978 High | 1978 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|---|---|---|---|---|---|
| Industrials | 857.16 | 861.57 | 870.15 | 878.55 | 887.04 | 899.60 | 907.74 | 742.12 | 1051.70 | 41.22 |
| H'me B'nds* | 89.55 | 89.58 | 89.58 | 89.54 | 89.47 | 89.42 | 90.46 | 86.75 | — | — |
| Transport | 245.13 | 246.96 | 247.93 | 250.75 | 253.51 | 257.21 | 261.49 | 199.31 | 279.88 | 13.23 |
| Utilities | 105.85 | 105.92 | 106.58 | 106.45 | 106.70 | 107.46 | 110.98 | 102.84 | 163.32 | 10.58 |
| Trading vol. 000's | 35,220 | 31,660 | 35,860 | 37,290 | 37,400 | 43,540 | — | — | — | — |

* Basis of Index changed from August 24

| Ind. div. yield % | Sept. 15 | Sept. 8 | Sept. 1 | Year ago (approx) |
|---|---|---|---|---|
| | 5.39 | 5.21 | 5.58 | 5.25 |

## STANDARD AND POORS

| | Sept. 20 | Sept. 19 | Sept. 18 | Sept. 15 | Sept. 14 | Sept. 13 | 1978 High | 1978 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|---|---|---|---|---|---|
| ‡Industrials | 112.65 | 113.56 | 114.55 | 115.59 | 116.51 | 117.54 | 119.71 | [illegible] | 134.64 | 3.52 |
| §Composite | 101.75 | 102.55 | 103.21 | 104.12 | 105.10 | 106.34 | 106.99 | [illegible] | 125.85 | 4.40 |

| | Sept. 13 | Sept. 6 | Aug. 30 | Year ago (approx.) |
|---|---|---|---|---|
| Ind div. yield % | 4.65 | 4.67 | 4.76 | 4.60 |
| Ind. P/E Ratio | 9.88 | 10.08 | 9.89 | 9.56 |
| Long Gov. Bond yield | 8.55 | 8.57 | 8.42 | 7.58 |

## N.Y.S.E. ALL COMMON

| Sept. 20 | Sept. 19 | Sept. 18 | Sept. 15 | 1978 High | 1978 Low |
|---|---|---|---|---|---|
| 57.32 | 57.94 | 58.24 | 58.61 | 60.38 | 48.37 |

**Rises and Falls**

| | Sept. 20 | Sept. 19 | Sept. 18 |
|---|---|---|---|
| Issues traded | 1,888 | 1,906 | 1,915 |
| Rises | 352 | 411 | 375 |
| Falls | 1,158 | 1,111 | 1,198 |
| Unchanged | 378 | 384 | 342 |
| New Highs | — | 15 | 22 |
| New Lows | [illegible] | [illegible] | [illegible] |

## MONTREAL

| | Sept. 20 | Sept. 19 | Sept. 18 | Sept. 15 | High | Low |
|---|---|---|---|---|---|---|
| Industrial | [illegible] | | | | | |
| Combined | [illegible] | | | | | |

## TORONTO Composite

[illegible]

## JOHANNESBURG

| | | | | | | |
|---|---|---|---|---|---|---|
| Gold | [illegible] | | | | | |
| Industrial | [illegible] | | | | | |

| | Sept. 20 | Pre-vious | 1978 High | 1978 Low |
|---|---|---|---|---|
| Australia (*) | 562.22 | 559.45 | 564.22 | 441.14 |
| Belgium (†) | 99.56 | 100.35 | 101.16 | 90.45 |
| Denmark (**) | 95.91 | 96.41 | 98.90 | 94.00 |
| France (††) | 75.4 | 75.7 | 76.5 | 47.6 |
| Germany (‡‡) | 833.7 | 837.4 | 859.3 | 759.4 |
| Holland (§§) | 89.9 | 90.6 | 95.1 | [illegible] |
| Hong Kong (§§) | 642.57 | 623.76 | 707.70 | 383.44 |
| Italy (||) | 82.27 | 80.14 | 82.27 | 55.40 |
| Japan (a) | 425.23 | 427.06 | 425.61 | 364.04 |
| Singapore (b) | 387.53 | 368.79 | 414.50 | 282.0 |

| | Sept. 20 | Pre-vious | 1978 High | 1978 Low |
|---|---|---|---|---|
| Spain (d) | 99.96 | 100.22 | 110.7 | 91.06 |
| Sweden (e) | 396.29 | 397.51 | 400.10 | 325.74 |
| Switzerl'd (f) | 276.4 | 280.5 | 322.1 | 276.4 |

Indices and base dates (all base values 100 except NYSE All Common—50 Standards and Poors—10 and Toronto 300—1,000, the last named based on 1975). ‡ Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. || Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. |||| Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 30/12/77. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. — Unavailable.

## WEDNESDAY'S ACTIVE STOCKS

| | Stocks traded | Closing price | Change on day |
|---|---|---|---|
| Ramada Inns | 1,062,400 | 12 | −1¼ |
| Pan-Am Airways | 639,500 | 8⅜ | −¼ |
| Bally Mfg. | 366,200 | 47 | −6⅞ |
| Wesetrn Air Lines | 355,700 | 11⅞ | −⅞ |
| Caesar's World | 354,900 | 36⅞ | −10⅞ |
| Del E. Webb | 350,500 | 23⅞ | −5⅞ |
| Boeing | 309,100 | 62⅞ | −1⅞ |
| Polaroid | 260,700 | 45⅞ | −4½ |
| Am. Tel & Tel | 250,600 | 60⅞ | — |
| Kennecott Copper | 245,500 | 26⅛ | +1⅛ |

## EUROPEAN OPTIONS EXCHANGE

| Series | Oct. Vol. | Oct. Last | Jan. Vol. | Jan. Last | Apr. Vol. | Apr. Last | Stock |
|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | |

TOTAL VOLUME IN CONTRACTS 3086

# FARMING AND RAW MATERIALS

## Brazil coffee estimate cut

BY RICHARD MOONEY

THE U.S. Department of Agriculture has reduced its estimates of the 1979 Brazil coffee crop following last month's frost. The Department now puts the crop at between 18m and 21m bags (60 kilos each), compared with a pre-frost forecast of 22m bags.

Shortly after the frost the Department said the damage amounted to only 1.5m bags and predicted that the crop would still exceed 20m bags. This contrasted sharply with an estimate by the Brazilian Coffee Institute (IBC) which said the crop had been cut by 8.2m bags to 16.1m bags.

The latest USDA estimate assumes that favourable weather will continue until March-April next year. Some Brazilian traders said yesterday they thought an 18m bags crop was possible given these conditions but others doubted that the crop would exceed 16m bags. Brazilian sources were virtually unanimous that the 21m bags forecast was too high.

The latest U.S. report created considerable confusion in the market as it closely followed a report that warm rainy weather in Brazil had repaired most of the recent frost damage. But the Department later said that this report was incorrect.

The USDA said an important observation made during a special field survey by the U.S. Agricultural Attaché in Brazilia was that nearly all the trees affected by this year's frost are likely to recover to full productive capacity after the 1979 harvest.

Over 50 per cent of the trees in Parana, the main coffee state, were affected and the state's 1979 coffee harvest is now estimated at between 3.5m and 4.5m bags, down from the 6m to 7m estimated by the Attaché before the freeze.

In Montreux meanwhile Sr. Camillo Calazans, president of the IBC, said he was pessimistic about the likely outcome of the International Coffee Organisation negotiations in London starting next Monday.

Sr. Calazans, who was attending a symposium sponsored by Coffee International magazine, said he believed importing countries did not want early agreement because they believed world prices were too high.

Mr. George Ford, ICO executive board chairman, told the Montreux meeting that world coffee stocks, including those in households, were abnormally low.

He said there was thus a potentially unstable position in the world coffee economy that needed to be closely watched. "Disappearance" in exporting countries should be 52m bags in 1978 compared with 45m in 1977 and 55m in 1976.

Prices tended lower in quiet trading on the London coffee futures market yesterday. The November position slipped to £1,484 a tonne at one stage but recovered to close at £1,502.5, down £15 on the day.

## Change in iron ore sales urged

CANBERRA, Sept. 20.

THE AUSTRALIAN Government has asked domestic iron ore producers to reorganise their marketing arrangements, according to industry sources, reports Reuter.

They said Mr. Doug Anthony, Trade and Resources Minister, met producer representatives this week and told them the Government did not approve of the way iron ore is marketed.

This referred to the way the Japanese steel industry negotiates iron ore prices as a single bloc, while Australian producers negotiate separately and in competition with each other.

Australian iron ore producers had to take price cuts for some of their 1978 Japanese export contracts and accept lower prices than those paid by the Japanese mills for Brazilian ore.

Mr. Anthony has told Parliament that he regarded the prices as neither fair nor reasonable, although he did approve them under his export control powers.

It is being assumed the Government wanted producers to co-ordinate future negotiations.

A spokesman for Mr. Anthony confirmed he had met the producers but declined to give details of the talks. However, he said meetings are to continue between producers and they will report back to the Government.

## Wool sales decline

SYDNEY, Sept. 20.

SALES OF Australian wool at the auctions dropped to 174,849 bales in the first two months of the 1978-79 season, from 227,236 bales in the previous July/August period, according to the National Council of Wool Selling Brokers, reports Reuter.

Total proceeds, however, were only slightly lower at $A55.27m against $A62.21m, reflecting a rise in average price per kilo greasy to 194.39 cents from 173.76 and an increase in average bale weights to 162.64 kilos from 157.55.

A feature at the first auctions was the depth of Japanese demand and the remarkably consistent buying of Eastern Europe, notably Poland.

There was a firm trend at the Geelong and Newcastle auctions yesterday, but at the Albany sale fleecewool values were barely maintained and the Australian Wool Corporation took 30 per cent of the 20,461 bales offered.

At the first Auckland wool sale of the 1978-79 season in New Zealand prices were fully firm in sellers' favour.

## Move to tackle EEC milk glut

BY GUY DE JONQUIERES

BRUSSELS, Sept. 20.

THE European Commission today approved a broad programme intended to provide a framework for tackling the problem of chronic and persistent dairy surpluses.

The report, which will be submitted to the Council of Agriculture Ministers at their meeting in Brussels next week, contains few new recommendations and has been carefully tailored to take account of many of the conflicting national interests which thwarted previous attempts to bring dairy production under control.

The Commission's central conclusion is that uncontrolled increases in EEC prices in the past are at the root of the surpluses. It states firmly that it will be essential to pursue a tough price policy during the coming years if over-production is to be curbed.

The paper, which contains no formal proposals for action by the Council, falls short of calling for a freeze on EEC prices for dairy products. But it leaves no doubt that the Commission intends to seek severe restraint when it makes its recommendations for the next price-fixing in about two months.

The Commission recommends that a number of additional direct measures to contain production should be considered, though it rejects the idea of imposing quotas on milk producers.

It favours instead the introduction of a mechanism to reduce automatically the level of the intervention price for dairy products when production rises above a specified threshold. This would be similar to the system advocated unsuccessfully by the UK about three years ago.

An alternative would be to reinforce the co-responsibility levy—a tax on milk output paid by farmers—by linking the level of producer contributions to the volume of production. A third option would be to limit access to intervention stores for dairy goods, although such a system is considered to have administrative drawbacks.

To discourageg further expansion of dairy farming, the Commission suggests that a complete ban on EEC and national aids to new investment in the sector be studied.

A proposal to this effect was made to the farm council in 1976, but was rejected, partly because several Governments objected to the numerous exemptions it contained.

While other parts of the Commission report are likely to be welcomed by the UK, this specific recommendation seems certain to be resisted by Mr. John Silkin, Agriculture Minister, on the grounds that it is against the Government's policy of encouraging domestic food production, especially in the dairy sector.

## Big Soviet purchase of soya forecast

CHICAGO, Sept. 20.

THE SOVIET UNION will fairly soon enter the soyabean market in a big way due to expanding livestock production and shortage of feed proteins, Mr. K. Bader, the American Soyabean Association chief executive, forecast, reports Reuter.

He told the American Farm Bureau Federation grain conference here that the USSR will never reach protein self-sufficiency.

He predicted a steady rise in U.S. soyabean exports, with the Middle East and South East Asia the main growth areas. He noted a U.S. carryover of 150m bushels means that a Brazilian crop below 12m tonnes could keep soyabean prices high.

Mr. Bob Bergland, the U.S. Agriculture Secretary, should tell the Soviet Union it can have all the American grain it wants, Tom Foley, House agriculture committee chairman told the American Farm Bureau conference in Chicago.

Mr. Foley was commenting on the forthcoming meeting between U.S. and Soviet officials on the third of the five year grain agreement.

He will urge Mr. Bergland to make the broadest possible commitment, although he thought consultations on purchases should still continue at some level.

Mr. Foley said the U.S. 1979 corn and feedgrain setaside should be around 20 per cent and be announced earlier than required by law.

He noted the 10 per cent set aside this year, and diversion payments for 10 per cent of acreage had resulted in a record crop, up 7 per cent.

## Who will save our bacon?

BY CHRISTOPHER PARKES

HAS THE time arrived for the British Government to flout Common Market rules once again and throw a lifeline to the British bacon industry which is drowning slowly — to the accompaniment of loud protests — in a flood of subsidised imports from Denmark and Holland?

The question was raised in London yesterday by Mr. Tim Fortescue, director-general of the Food and Drink Industries' Council (FDIC), and guest at a lunch given by the Bacon and Meat Manufacturers' Association.

He argued that since there were so few signs of any reprieve coming from Europe to save the bacon curers from a lingering death, perhaps Mr. John Silkin, the Minister of Agriculture, should be encouraged to take the law into his own hands.

Indeed, he offered, if the bacon industry were willing to start a campaign, the FDIC "would be prepared to go out on a limb with you."

But while Mr. Silkin personally may have no worries about affronting the Community — he is already facing legal action over his measures to protect British fisheries and potato growers — he still has to convince his Cabinet colleagues that a war over bacon would be worth the fighting.

Since the curers' ultimate aim is higher prices, Mr. Silkin himself is in any case unlikely to go quite as far as the industry would like.

Mr. Bill Newton-Clare, chairman of the curers' association, and host at the lunch, had been airing his now familiar grievances about the impact of subsidised EEC competition on the British bacon industry.

**Mr. John Silkin, Agriculture Minister, will ask for the difficulties of the British bacon industry to be discussed at next week's Council of Ministers meeting in Brussels.**

**He is concerned that Mr. Finn Gundelach, Commissioner for Agriculture, does not appear to have carried out the review of the pig industry he promised to undertake earlier this year.**

He cited evidence provided by a new survey conducted by the London Business School that without changes in EEC policy most of the British market for meat products would be controlled by overseas suppliers in a few years.

Briefly inspired by Mr. Fortescue's suggestion, Mr. Newton-Clare commented acidly on the recent "loans" offered to the French pig industry by the Paris Government—"loans which everyone knows will not be paid back; they never are."

But speaking for the whole meat manufacturing industry, he was evidently unable to commit himself to preaching revolt against the EEC.

"The industry will continue to run a negative cash flow, requiring massive debt raisings to finance its planned, let alone its appropriate, investment levels," the survey says.

The authors advise manufacturers to seek Government aid for investment and to press for reductions in the monetary compensatory amount import subsidies which give the Danes and Dutch such an advantage in the UK market.

The survey showed that this year imports have captured a 59 per cent share of the UK market for bacon and ham, compared with 56 per cent in 1977.

Mr Newton-Clare's object was to have these subsidies—worth more than £200 a tonne on bacon—reduced by at least 50 per cent.

## Rift in Community fruit trade

BY CHRISTOPHER PARKES

THE UK wholesale fruit and vegetable trade is to break its formal links with the Brussels-based European Wholesalers' Union because of conflicts of interest and the rising cost of membership.

The National Federation of Fruit and Vegetable Trades announced yesterday that it will pull out of the EEC organisation at the end of the year.

In future it will attempt to make its voice heard in Common Market affairs through its lobby at the Ministry of Agriculture, Fisheries and Food and through its own EEC Committee which will be re-formed next month.

Mr. Henry Jamison, president of the federation, said that since Britain has now completed transition to full EEC membership, the time seemed right for a review of the existing system of representation.

The EEC body had been the main channel through which the UK's trade views were transmitted. "This served us well during the initial period while we were familiarising ourselves with the various procedures," Mr. Jamison said.

"At the same time, there were occasions when to permit the Union du Commerce (the EEC organisation) to submit joint recommendations we were obliged to accept compromises which diluted the views of this federation."

Last year the British federation spent £8,000 on subscriptions and travelling expenses to fulfil European obligations. In 1979 the cost is expected to rise to around £12,000.

The European union has the ear of the EEC Commission in Brussels in that it is the officially recognised mouthpiece for the trade. But it is heavily influenced by French and Italian interests whose views conflict on many issues with those of British wholesalers.

Continental interests, broadly, oppose the British view that imports of fruit and vegetables from non-Community countries should be allowed into Europe with fewer obstacles than at present.

And the British trade finds itself unable to approve some of the policies promoted by wholesalers on the Continent for dealing with the new applicants for Community membership.

Spain, Portugal and Greece, are all major producers of fresh fruits and vegetables.

There has also been conflict over the French-based attack on imports of southern hemisphere apples into the UK. The British apple crop is virtually finished by January each year.

The pattern of trade allows for easy access for fruit from New Zealand, Australia and elsewhere. But the French, who can keep their apples in store until April and May, are seeking to obstruct traditional supplies to make room for their produce.

● Italy and France have blocked a decision to reduce tariffs on imports into the European Community of citrus fruit from Israel and some other countries in the eastern Mediterranean area, AP-DJ reported from Brussels.

The EEC Commission had proposed to a meeting of Foreign Ministers that the tariff preferences on citrus fruit from the producing countries of the area be raised to 80 per cent from the current 60 per cent.

Italy and France objected to such a move which is strongly supported by Britain, a spokesman reported.

France would have been ready to accept a 65 per cent tariff on condition that it should be the last made on citrus fruit before enlargement of the Community.

But such a condition was not acceptable to other EEC members the Commission, officials said. The subject will be pursued at lower level before coming up at a ministerial meeting again.

## Congress asked to reject sugar Bill

BY JOHN EDWARDS, COMMODITIES EDITOR

FEARS THAT U.S. ratification of the International Sugar Agreement could be delaoyed until next year were highlighted yesterday following a White House plea to Congressmen to oppose the domestic sugar price support Bill passed by the House Ways and Means Committee.

The Bill sets a minimum support price for U.S. sugar growers of 15 cents a pound. But Mr. Barry Bosworth, chairman of the Council on Wage and Price Stability, said in a letter to Congress that any move to raise the support price above the 14.5 cents, proposed by the Administration, would be "unnecessarily inflationary."

He claimed the 0.5 cents would cost consumers an extra $150m a year, and urged Congress to avoid any actions that will add to the already high 16.5 per cent annual rate of food price increases. "Efforts to restrain inflation have reached a critical crossroads," he warned.

The U.S. Department of Agriculture calculates the average cost of sugar production in the U.S. at 14.05 cents a lb.

The International Sugar Council meeting next week is virtually certain to postpone the introduction of the stock financing scheme for a further three months, awaiting U.S. ratification.

# COMMODITY MARKET REPORTS AND PRICES

## BASE METALS

**COPPER**—Weaker on the London Metal Exchange in the absence of physical business and as a consequence of the stronger pound and stop-loss selling. After moving between £749 and £752, forward fell to £745 before meeting buying support. A steady Comex opening helped the price to £748.5 and a close on the Kerb of £748. Turnover 16,350 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £730, 27.5, three months £750, 49, 46.5, 45, 47, 46, 45.5, 45, 45.5. Cathodes, three months £734.5, 35. Kerb: Wirebars, three months £746, 46.5. Afternoon: Wirebars, three months £748.5, 48, 47.5, 47, 48.5. Cathodes, cash £720, three months £738.5. Kerb: Wirebars, three months £748.5, 48, 47.5. Cathodes, three months £738.

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Wirebars** | | | | |
| Cash | 727.5-8 | —12 | 730.5-1 | —9 |
| 3 months | 745-6 | —11.2 | 748-.5 | —9 |
| Settl'm'nt | 728 | —12 | — | ...... |
| **Cathodes** | | | | |
| Cash | 716.5-8 | —11.5 | 720-.5 | —6.5 |
| 3 months | 735-6 | —11.2 | 738-.5 | —7.25 |
| Settl'm'nt | 718 | —11 | — | ...... |
| U.S. Smt. | 625 | | 63-66 | ...... |

**TIN**—Little changed on balance after an uneventful day. The East was slightly easier overnight and forward metal in London drifted from £6,960 to £6,940 on the weakness of other metals and currency considerations before trade buying caused a lift to £7,000. Hedge selling from the U.S. led to a close on the Kerb of £6,990. Turnover 1,285 tonnes.

Morning: Standard, cash £7,165, 80, three months £6,940, 45, 50, 55, 70, 65. High Grade: three months £6,980. Kerb: Standard, three months £6,973, 80, 85. Afternoon: Standard, three months £7,000, £6,995. Kerb: Standard, three months £6,995, [illegible]

| TIN | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| **High Grade** | £ | £ | £ | £ |
| Cash | 7170-80 | —57.5 | 7190-200 | +10 |
| 3 months | 6970-80 | —60 | 7010-25 | —2.5 |
| Settlem't | 7180 | —70 | — | ...... |
| **Standard** | | | | |
| Cash | 7170-80 | —52.5 | 7190-200 | +10 |
| 3 months | 6965-70 | —46.5 | 6995-7000 | +2.5 |
| Settlem't | 7180 | —50 | — | ...... |
| Straits E. | ‡$1905 | —5 | — | ...... |
| New York | 624 | ...... | — | ...... |

**LEAD**—[illegible]

**ZINC**—[illegible]

## SILVER

[illegible]

## COCOA

[illegible]

## COFFEE

ROBUSTAS [illegible] thereafter fluctuated around £1,500 basis November and closed £15 to £20 lower on balance.

| COFFEE | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| September | 1695-99 | —05.5 | 1600-1580 |
| [illegible] | [illegible] | [illegible] | [illegible] |

## RUBBER

[illegible]

## GRAINS

[illegible]

## SOYABEAN MEAL

The market opened slightly lower and eased further on steady sterling. But on reports of adverse weather conditions [illegible]

## SUGAR

[illegible]

## WOOL FUTURES

[illegible]

## MEAT/VEGETABLES

[illegible] Cattle down 41.2 per cent, average 67.72p (—0.25); Sheep down 31.1 per cent, average 120.3p (+0.9); Pigs down 60.7 per cent, average 66.2p (+6.9).

COVENT GARDEN (prices in sterling per package except where otherwise stated)—Imported Produce: Lemons—Italian: 100/120s new crop 5.50-6.00; Spania: Trays 2.60, Boxes 4.60-6.00; S. African: 7.50-8.50. Oranges—S. African: [illegible]

Onions—Per bag 1.60, Picklers 2.40. Swedes —Per 28-lb 0.60.

★

LIVERPOOL COTTON—Spot and shipment sales amounted to 316 tonnes, bringing the total for the week so far to 668 tonnes, reports F. W. Tattersall. Broadening activity in various styles resulted in a freer offtake. Alternation mainly centred on North and South American qualities.

## New Brazilian cotton strain

RIO DE JANEIRO, Sept. 20.

THE BRAZILIAN Ministry of Agriculture farm research body, Embrapa, has developed a new strain of cotton, principally aimed at improving yields in the north east of the country, reports Reuter. Embrapa said the north-eastern states of Brazil account for about 60 per cent of the country's cotton area, but only produce up to 40 per cent of the crop because of the drier climate there than in the south, poorer soil, and the small-holding farming system.

It is claimed the new strain will enable cotton from north-east Brazil to compete in export markets, whereas until now it has not been of a high enough standard.

## Rail chairman in U.S. hearing

SIR PETER PARKER, chairman of British Railways, flies to the U.S. tomorrow to give evidence to the Congressional sub-committee on transportation.

Sir Peter will appear before the sub-committee at a public hearing in Washington on September 27 to speak on the experience of operating Britain's State-owned railways. He will then head a British Rail team making an informal presentation to the Senate commerce committee.

## PRICE CHANGES

Price in tonnes unless otherwise stated.

| | Sept. 20 1978 | + or — | Month ago |
|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] |

* Nominal. m June-Aug. s Sept.-Oct. r Indicator price.

## INDICES

FINANCIAL TIMES

| Sept. 20 | [illegible] | [illegible] | [illegible] |
|---|---|---|---|
| 253.92 | 254.04 | 247.91 | 245.64 |

REUTERS

| Sept. 20 | Sept. 19 | Month ago | Year ago |
|---|---|---|---|
| 1475.9 | 1476.4 | 1452.0 | 1501.2 |

DOW JONES

| Dow Jones | Sept. 20 | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|
| Spot | 381.[illegible] | [illegible] | [illegible] | [illegible] |
| Futures | 377.[illegible] | [illegible] | [illegible] | [illegible] |

MOODY'S

| Moody's | [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|
| Sple Commdty | [illegible] | [illegible] | [illegible] | [illegible] |

GRIMSBY FISH—Supply moderate, demand good. [illegible]

## U.S. Markets

### Sharp rally in metals, sugar eases

NEW YORK, Sept. 20.

PRECIOUS METALS rallied sharply following Arab disenchantment with the Egyptian-Israeli agreement while copper rallied strongly on trade arbitrage buying and speculative short-covering. Sugar eased on speculative liquidation on confusion towards the domestic political outlook, while cocoa rallied on light trade arbitrage buying. Coffee closed mixed in light trading. Bache reports.

Cocoa—Sept. 172.90 (171.60), Dec. 169.50 (168.60), March 165.55, May 156.80, July 164.75, Sept. 162.45, Dec. 158.65. Sales: 689.

Coffee—"C" Contract: Sept. 158.00-158.75 (160.25), Dec. 146.50-146.70 (147.25), March 137.75, May 131.75, July 127.00-127.25, Sept. 124.00-128.50, Dec. 122.00. Sales: 565.

Copper—Sept. 65.60 (64.60), Oct. 65.70 (64.75), Nov. 66.25, Dec. 66.90, Jan. 67.30, March 68.25, May 69.15, July 70.00, Sept. 70.80, Dec. 71.80, Jan. 72.10, March 72.50, May 73.45, July 74.10. Sales: 4,300.

Cotton—No. 2: Oct. 61.80 (61.97), Dec. 64.12-64.15 (64.27), March 66.43, May 67.50, July 67.75-67.90, Oct. 65.25-65.35, Dec. 65.41, March 66.06 bid. Sales: 3,350.

*Gold—Sept. 215.50 (210.50), Oct. 216.00 (211.30), Nov. 217.60, Dec. 219.40, Feb. 222.90, April 226.50, June 230.10, Aug. 233.70, Oct. 237.30, Dec. 241.00, Feb. 244.60, April 248.30, June 252.00. Sales: 24,000.

†Lard—Chicago loose 25.00 (same). NY prime steam 26.50 traded (26.25 traded).

‡Maize—Sept. 212-211½ (215½), Dec. 223¾-223½ (227½), March 232¾-233, May 239-238½, July 242¾-242½, Sept. 243½-244.

§Platinum—Oct. 266.80-267.20 (264.60), Jan. 270.80-270.90 (267.50), April 273.50, July 276.00, Oct. 279.00-279.20, Jan. 282.50-282.70, April 285.50-285.70. Sales: 953.

§Silver—Sept. 566.40 (558.80), Oct. 567.30 (558.10), Nov. 571.30, Dec. 575.40, Jan. 579.40, March 587.90, May 596.70, July 605.70, Sept. 614.80, Dec. 629.00, Jan. 633.80, March 643.50, May 653.20, July 663.00. Sales: 9,000. Handy and Harman spot 562.00 (560.70).

Soyabeans—Sept. 688-691 (635½), Nov. 680-679 (664¾), Jan. 686-685, March 692½-693, May 636½-697, July 696½-697, Aug. 690.

Soyabean Oil—Sept. 27.60 (27.43), Oct. 27.25-27.28 (26.30), Dec. 26.40-26.30, Jan. 25.85-25.95, March 25.55, May 25.10-25.15, July 24.70-24.70, Aug. 24.35 bid.

||Soyabean Meal—Sept. 174.30-174.50 [illegible]



## APPOINTMENTS



## PUBLIC NOTICES

SEVENOAKS DISTRICT COUNCIL
£400,000 Bills offered 13.9.78 for payment 18.9.78, due 18.12.78 at 8[illegible]%. Application totalled £4.4m. No other Bills outstanding.

VALE OF GLAMORGAN BOROUGH COUNCIL
£500,000 Bills issued 21.9.78 at 8 57-64 to mature 20.12.78. Total applications were £1,000,000. Total outstanding £500,000.

## CLUBS

# STOCK EXCHANGE REPORT

# Sterling's strength restores confidence to markets

## Equities and Gilt-edged securities improve marginally

**Account Dealing Dates**

| Option *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| Sep. 4 | Sep. 14 | Sep. 15 | Sep. 26 |
| Sep. 18 | Sep. 28 | Sep. 29 | Oct. 10 |
| Oct. 2 | Oct. 12 | Oct. 13 | Oct. 24 |

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Yesterday's strength in sterling against the dollar encouraged a better feeling, but little expansion in stock market trade. Equity markets began slightly easier in places, possibly reflecting further union rumblings at the Government's attitude on pay, before improving on a selective investment interest directed at the leaders and other good quality issues.

Gilt-edged securities also shared in the upturn and, although business remained static at the longer end of the market, the shorter maturities noticed some improvement in business as recent concern about the course of U.S. interest rates receded. Final gains were not large but the general firmness was fully maintained after the official close of dealings.

Events were otherwise sparse but situation stocks attracted speculative inquiries and among the few top-name companies reporting trading news Rowntree Mackintosh registered acute disappointment with interim profits well below market expectations: down to 410p soon after the announcment, the price rallied on near-closing to end a net 23 lower at 422p.

The FT Industrial Ordinary share index fairly quickly regained an early loss of about a point and thereafter improved to close 3.9 higher at the day's best of 529.1. This contrasted with the broader picture mirrored by falls retaining their majority over rises in all FT-quoted Industrials by five-to-four.

Further selling in a market already moving easier through the effects of sterling brought lower rates for investment currency. Institutional sources were again active but much of yesterday's offering represented arbitrage business against activities in South African Gold shares. The premium, after falling to 89¼ per cent, rallied late to close a net 3 points off at 90½ per cent. Yesterday's SE conversion factor was 0.6895 (0.6849).

There was a further contraction in activity in the Traded Option market yesterday; total contracts amounted to 653 compared with 832 on Tuesday. Marks and Spencer were the most active, with 93 deals, but there was a noticeable slackening of interest in ICI, which recorded only 48 contracts.

Bank leaders recovered from a slightly easier trend, Barclays closing without alteration at 356p, after 352p. Still reflecting disappointment with the half-yearly results, Bank of Scotland eased 2 further to 280p for a two-day loss of 23. Antony Gibbs also recorded a fall of 2 to 56p following the interim profits statement. Australian issues turned reactionary after the recent good run up, ANZ easing 6 to 342p and Commercial of Australia 8 to 247p.

Movements in the Insurance sector were small and irregular. Eagle Star closed 2 cheaper at 147p after the half-yearly figures.

Press comment on the industry's prospects failed to generate much interest in Distillery issues, which edged higher in slow trading. A. Bell hardened 2 to 264p and Distillers moved up 3 to 211p. Elsewhere, Matthew Clark rose 6 to 148p on revived speculative interest.

Leading Building descriptions closed narrowly mixed after a quiet trade. Tilbury Contracting shed 8 at 310p following the interim results, but Y. J. Lovell added 3 more to 109p for a gain of 10 since the weekend Press comment. Further speculative demand lifted Brown and Jackson another 7 to 235p, while in thin markets, Wettern Brothers, 82p, and Blockleys, 83p, improved 3 apiece. A dull market lately, Tarmac picked up 8 to 151p; the interim results due next Monday. Comben added a penny to 32p following the announcement that the company had received 53.73 per cent acceptances from Orme Development holders; the latter held at 57p. Lafarge SA advanced 1¾ points to £36¾ following the proposed rights issue.

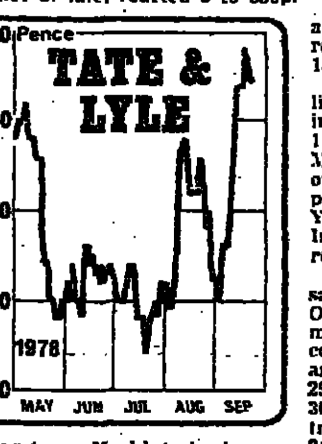
ICI touched 396p before rallying to close 4 up on balance at 401p. Laporte gleaned support from the encouraging statement that accompanied the slightly better-than-expected interim results and firmed 6 to 127p, while Stewart Plastics improved 7 to 147p after recent dullness on the second-half profits setback. Buyers came in for Bernard Wardle which gained 2 to 32p for a two day rise of 3½.

### B & Hollingsworth up

Store shares took a decided turn for the better, but the day's interest centred mainly on secondary issues where Bourne and Hollingsworth jumped 37 to 317p and led to talk of an imminent statement on the bid discussions; news of the offer from Raybeck came well after market hours. Bambers continued to attract buyers and improved 3 further to 132p, while interest was also shown in Church, 4 to the good at 182p, and Courts (Furnishers), a similar amount dearer at 120p. Mothercare rose 6 to 162p, while J. Menzies improved 5 to 200p in response to the interim statement.

Thorn Electrical were finally 10 better at 388p, after 376p, despite the recommendation by the Price Commission that three of its television rental subsidiaries should freeze their prices until April 1 next year; Thorn issued a statement late yesterday stating its intention to approach the Prices Minister about the recommendations. Gains of around 5 were recorded in GEC, 338p, and Petbow, 138p, while small buying in a restricted market left Louis Newmark 10 to the good at 240p. Racal Electronics were raised 6 to 342p, but fresh offerings clipped 3 more from Berec at 153p.

Quietly dull at the start of trading, Engineering majors gradually picked up and closed a shade dearer on balance. John Brown ended 2 at 484p, after 480p. Among secondary issues, Chemring featured with a fresh rise of 18 to 106p in an extremely thin market following favourable Press mention. Victor Products revived with a rise of 6 to 243p, but Spear and Jackson reacted that amount to 138p on the fall in the half yearly profits. Scattered buying lifted Glynwed 3 to 114p and Record Ridgeway 4 to 88p, while Howden Group responded to Press mention with a rise of 2½ to 86½p. In contrast, ML Holdings ran back 20 to 220p after the recent good improvement while, in Shipbuilders, Yarrow, also a rising market of late, reacted 5 to 330p.




Rowntree Mackintosh became an outstanding dull feature at 422p, down 23, after 410p, on disappointment with the interim figures which were well below expectations. Elsewhere, Foods kept close to the overnight levels. Press comment directed fresh attention to Avana, which rose 2½ to a 1978 peak of 58½p. Still reflecting speculative interest, Morgan Edwards hardened 2 to 67p for a two-day improvement of 7. J. Sainsbury were supported at 235p, up 3, but further consideration of the interim report clipped 2 from Bernard Matthews at 172p. In Supermarkets, Tesco edged forward a penny to a 1978 peak of 56p.

Ladbroke returned to favour in Hotels and Caterers, rising 8 to 183p. City Hotels hardened 3 to 142p in front of today's interim results, while small buying left Mount Charlotte Investments 1½ better at 23½p.

### Randalls jump late

Randalls Group became a strong late feature at 106p, up 22, on news that preliminary discussions are taking place with Ferguson Industrial Holdings which may lead to an offer being made for Randalls. Elsewhere in the Industrial section, Burns Anderson responded to the good results and proposed one-for-one scrip issue with a rise of 3½ to 37½p while further consideration of the interim statement caused a rise of 4½ to 73½p in Bodycote. Hestair reacted to 88p following the sharp fall in the interim profits, but, helped by the encouraging statement on second-half trading, rallied to close only a penny lower on balance at 93p. Buyers showed interest in Bentima, which advanced 8½ to 34p, and B. and I. Nathan, 7 to the good at 64p, while the increased interim dividend and profits lifted Rowan and Boden a penny further to 33p. Revived speculative demand left Johnson Cleaners 4 dearer at 107p. The hint by Sir Peter Parker, the chairman of British Rail, that the proposed Channel Tunnel could open in 1988, prompted late firmness in Channel Tunnel, 3 higher at 72½p. Leading issues tended firmer in light trading.

Campari issues continued firmly ahead of next week's annual results, the ordinary put on 3 to 133p and the B 4 to 122p.

Rolls-Royce claimed the limelight in Motors and Distributors, improving 7½ to a 1978 peak of 117p in belated response to Monday's interim figures; turnover was active. Lex Service picked up a penny at 89½p, while York Trailer, 49p, and Lucas Industries, 330p, put on 3 and 5 respectively.

International Thomson Organisation, resulting from Thomson Organisation Scheme of Arrangement, saw a lively trade; the common shares opened at 300p and traded between extremes of 295p and 308p before settling at 303p. The convertible preference traded similarly and closed at 240p after opening at 232p and touching 243½p.

Down 18 on Tuesday following the defeat of the S. Pearson offer for the outstanding 36 per cent minority, Pearson Longman rallied to close 5 up on balance at 227p. S. Pearson hardened a penny to 238p. In Paper/Printings, Ferry Pickering added 3 to 93p on the higher annual profits, and DRG a penny to 136p following the interim results. James Cropper were dealt in at 80p, up 8.

Properties made selective progress in a small turnover. Land Securities hardened 3 to 247p and MEPC 2 to 148p, while Stock Conversion improved 4 to 274p. County and District added 2 more at 109p in further response to the good annual results while, on consideration of the interim report, Law Land firmed a penny at 45p. Buyers came in for Control Securities, 2 up at 35p, while continued speculative interest lifted Marler Estates 4 to 43p and Bellway Holdings 2 to 72p.

### BP up late

Slightly easier at the outset in the light of the Bingham Report, leading Oils rallied to overnight levels by mid-morning and closed firmly. British Petroleum touched 900p but finished a net 8 up at 912p, while Shell ended a penny to the good at 375p, after 368p. Ultramar—held a gain of 4 to 238p. Lack of interest and a few sellers clipped 14 from speculative counter Siebens UK at 380p.

Investment Trusts spent another quiet session. New Throgmorton Capital rose 4 to 158p for a two-day gain of 13, while GT Japan closed 3 better at 186p following the preliminary figures. Overseas issues lost ground with Rolinco losing 1½ to £49½ and Robeco 1¾ to £60¾. Dalgety were quoted ex the rights issue at 302p, with the new nil-paid shares opening at 35p premium and closing at 40p premium.

Few significant movements were recorded in shippings, but Milford Docks rose 3 to 97p.

Textiles had contrasting movements in Lister, 3 better at 60p in front of today's preliminary figures, and the Italian-based Snia Viscosa, which reflected local weakness with a fall of 9½ to 94½p.

Among Rubbers, Plantation Holdings eased 2 to 72p on the substantially reduced first-half profits. Teas were idle and featureless.

### Golds uncertain

The resignation of Mr. John Vorster as South African Prime Minister caused some uncertainty among South African Golds. Buyers were reluctant, and trade was at a modest level. However, the steadiness of the bullion price, which closed $1 higher at $218.875 an ounce, after the U.S. Treasury auction, held dollar prices within a narrow range.

Sterling prices were hit by the lower investment dollar premium and falls were common. Western Holdings closed ¾ off at £21, West Dries lost ¾ to £25¾ and Buffels shed 17 to 953p. The Gold Mines Index was down 0.9 at 181.3.

The uncertainty spread into premium Financials, clipping a few pence from prices. De Beers, influenced by the lower premium and subject to concern about the future of Namibia (South West Africa) finished 8 lower at 440p.

London Financials were dominated by Rio Tinto-Zinc. The interim figures were better than most expected and scattered buying allowed the shares to advance 4 to 250p. Activity in the shares of the other houses was very limited. Selection Trust eased 2 more to 484p in front of today's half-yearly figures.

The underlying tone among Australians remained firm and most interest was again centred on the diamond stocks with limited U.S. buying in late trading. However, the premium's fall held back the market, leaving Magnet Metals 1 softer at 39p. Western Queen also 1 down at 28p and Lennard Oil unchanged at 35p.

There was little reaction to the claim pegging announcement of Haoma and North West Mining and the shares closed respectively 2 down at 58p and 1 lower at 42p.

Peko-Wallsend, 8 lower at 548p and EZ Industries, 5 easier at 270p, continued to suffer from uncertainty about the go-ahead for the Ranger uranium project.

Tins were generaly easier on premium considerations. Among the domestic issues Saint Piran were 2 off at 63p following the latest Orme-Comben developments.

## FINANCIAL TIMES STOCK INDICES

| — | Sept. 20 | Sept. 19 | Sept. 18 | Sept. 15 | Sept. 14 | Sept. 13 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 70.71 | 70.57 | 70.58 | 70.58 | 70.97 | 70.73 | 78.28 |
| Fixed Interest | 72.17 | 72.10 | 72.14 | 72.12 | 72.18 | 71.96 | 75.90 |
| Industrial | 529.1 | 525.2 | 530.8 | 530.4 | 535.6 | 534.3 | 520.0 |
| Gold Mines | 181.3 | 182.2 | 181.9 | 188.8 | 187.8 | 182.3 | 141.9 |
| Ord. Div. Yield | 5.10 | 5.14 | 5.09 | 5.09 | 5.04 | 5.05 | 5.19 |
| Earnings, Y'ld % (full)* | 14.45 | 14.57 | 14.43 | 14.54 | 14.40 | 14.61 | 15.07 |
| P/E Ratio (net) (*) | 9.16 | 9.09 | 9.18 | 9.09 | 9.18 | 9.09 | 9.48 |
| Dealings marked | 5,164 | 5,563 | 5,474 | 6,257 | 6,031 | 6,619 | 5,600 |
| Equity turnover £m | — | 72.12 | 84.48 | 114.80 | 125.98 | 105.20 | 93.18 |
| Equity bargains total | — | 16,925 | 19,423 | 22,478 | 24,284 | 21,470 | 18,663 |

10 am 524.1. 11 am 526.2. Noon 527.3. 1 pm 528.3. 2 pm 528.2. 3 pm 529.3.

Latest Index 01-246 8026.

* Based on 52 per cent corporation tax. † Nil=8.93.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

### HIGHS AND LOWS

| — | 1978 High | 1978 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|
| Govt. Secs. | 78.58 (5/1) | 68.79 (5/8) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 81.27 (9/1) | 70.73 (6/6) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 535.5 (14/9) | 433.4 (2/3) | 549.2 (14/9/77) | 49.4 (26/6/40) |
| Gold Mines | 206.6 (14/4) | 130.3 (6/1) | 442.3 (22/5/75) | 43.5 (26/10/71) |

### S.E. ACTIVITY

| | Sept. 20 | Sept. 19 |
|---|---|---|
| —Daily | | |
| Gilt-Edged | 141.0 | 139.7 |
| Industries | 195.4 | 213.1 |
| Speculative | 32.5 | 35.6 |
| Totals | 117.5 | 128.6 |
| 5-day Average | | |
| Gilt-Edged | 134.3 | 133.9 |
| Industrials | 219.7 | 231.1 |
| Speculative | 40.0 | 45.1 |
| Totals | 129.7 | 135.9 |

## OPTIONS

**DEALING DATES**

| First Deal-ings | Last Deal-ings | Last Declara-tion | For Settle-ment |
|---|---|---|---|
| Sep. 12 | Sep. 25 | Dec. 7 | Dec. 19 |
| Sep. 26 | Oct. 9 | Dec. 28 | Jan. 9 |
| Oct. 10 | Oct. 23 | Jan. 11 | Jan. 23 |

*For rate indications see end of Share Information Service*

Money was given for the call in UDT, London and Northern, Courtaulds, Talbex, Pearson Longman, Bentima, Daejan, Cadbury Schweppes, Wilson Walton, Lonrho, Kunick, Samuel Properties and FPA Construction. A put was done in Bourne and Hollingsworth, while doubles were arranged in Spillers, Burmah Oil and British Land.

## LONDON TRADED OPTIONS

| Option | Ex'rcise price | October Closing offer | October Vol. | January Closing offer | January Vol. | April Closing offer | April Vol. | Equity close |
|---|---|---|---|---|---|---|---|---|
| BP | 800 | 116 | — | 140 | — | 152 | 1 | 909p |
| BP | 850 | 66 | — | 97 | — | 118 | 5 | .. |
| BP | 950 | 13 | 3 | 36 | 10 | 58 | 5 | |
| Com. Union | 140 | 16 | — | 22 | 7 | 25 | 5 | 153p |
| Com. Union | 160 | 2½ | 6 | 10½ | 20 | 13½ | 20 | |
| Cons. Gold | 200 | 3½ | — | 10 | 6 | 16 | — | 186p |
| Courtaulds | 110 | 10½ | — | 14½ | 4 | 20 | — | 117p |
| Courtaulds | 120 | 5 | — | 8½ | — | 13½ | 5 | .. |
| GEC | 280 | 59 | 2 | 69 | — | 78 | 4 | 337p |
| GEC | 300 | 39 | 1 | 51 | | 64 | — | .. |
| GEC | 330 | 16 | 3 | 32 | | 44 | | .. |
| GEC | 360 | 5 | — | 19 | 3 | 31 | 37 | .. |
| Grand Met. | 100 | 19½ | 10 | 25 | | 27½ | — | 117p |
| Grand Met. | 110 | 10½ | 1 | 16 | 15 | 18 | — | .. |
| Grand Met. | 120 | 4 | 10 | 9½ | | 12½ | — | .. |
| ICI | 360 | 48 | — | 59 | — | 67 | 5 | 401p |
| ICI | 390 | 22 | 15 | 38 | | 46 | — | .. |
| ICI | 420 | 6 | — | 22 | 21 | 28 | 7 | .. |
| Land Secs. | 220 | 28 | — | 33½ | 5 | 41 | — | 246p |
| Land Secs. | 240 | 12 | 25 | 20 | — | 27 | — | .. |
| Land Secs. | 260 | 3 | 48 | 12 | — | 16½ | — | .. |
| Marks & Sp. | 70 | 22 | 6 | 25 | 20 | 28 | — | 88p |
| Marks & Sp. | 80 | 13 | — | 17 | 30 | 20 | — | .. |
| Marks & Sp. | 90 | 5½ | 2 | 12 | 3 | 13½ | 6 | .. |
| Marks & Sp. | 100 | 2 | 4 | 5 | 15 | 9½ | 7 | .. |
| Shell | 500 | 85 | — | 92 | 5 | 108 | — | 573p |
| Shell | 550 | 39 | 5 | 56 | 2 | 70 | — | .. |
| Shell | 600 | 13½ | 49 | 27 | 1 | 42 | — | .. |
| Total | | | 190 | | 167 | | 107 | |
| | | **November** | | **February** | | **May** | | |
| BOC Intl. | 80 | 2 | — | 3½ | 35 | 5 | 5 | 76p |
| Boots | 240 | 6 | 22 | 14 | — | 19 | — | 220p |
| Boots | 260 | 2 | — | 7 | 3 | 12 | — | |
| EMI | 160 | 20 | 10 | 26 | 4 | 1 | 1 | 169p |
| EMI | 180 | 9 | 10 | 15 | 3 | 20 | — | |
| Imperial Gp. | 90 | 2½ | 15 | 6 | 6 | 7½ | — | 84p |
| RTZ | 240 | 23 | 8 | 28 | 10 | 36 | 10 | 250p |
| RTZ | 260 | 9 | 6 | 18 | 3 | 25 | | .. |
| RTZ | 280 | 3 | 10 | 9 | — | 13 | 28 | .. |
| Totals | | | 81 | | 64 | | 44 | |

## NEW HIGHS AND LOWS FOR 1978

### NEW HIGHS (86)

**COMMONWEALTH & AFRICAN LOANS (1)**
New Zealand 4pc '76-78

**BANKS (4)**
Arbuthnot Latham, First Nat., Gibbs (A.), Do. Wrnts. '75-83

**BUILDINGS (6)**
Beechwood, I.D.C., Blockleys, Lovell (Y. J.), Brown & Jackson, Travis & Arnold

**CHEMICALS (1)**
Wardle (B.)

**STORES (5)**
Executex, S. & U. Stores, Foster Bros., Do. 25pcPf., Menzies (J.)

**ELECTRICALS (6)**
Dreamland, Rediffusion, GEC, Telefusion, Petbow, Do. A N-V

**ENGINEERING (12)**
Birmingham Mint, Metalrax, Boulton (Wm.), Male (M.), Chemring, Sanderson Kayser, Edbro, Turriff, Finsider, Utd. Spring, Howden, Williams & James

**FOODS (3)**
Avana, Tesco, Morgan Edwards

**HOTELS (3)**
Adda Intl., Mount Charlotte, City Hotels

**INDUSTRIALS (22)**
Aeltzer Cos., Macfarlane, Bentima, Man. Ship Canal, Berwick Timpo, Nathan (B. & I.), Burns Anderson, Randalls, Denbyware, Pelven PBWS, Dundonian, Ricardo, Fogarty E.T., Rowan & Boden, Hamlbourne, Silhouette, Hunting Assoc., Sunlight Services, Hyman (I. & J.), Unilex, Inter-City, Whitecroft

**LEISURE (1)**
Barr & W.A.T. A

**MOTORS (1)**
Rolls-Royce

**NEWSPAPERS (1)**
Thomson (Int.)

**PAPER (2)**
Bemrose, Ferry Pickering

**PROPERTY (6)**
County & District, Lon. Shop Prop., Ests. Prop. Inv., MEPC, Land Secs., Marler Ests.

**SHIPPING (1)**
Milford Docks

**TEXTILES (4)**
Beales (J.), Lister, Levex, Notts. Manf.

**TRUSTS (4)**
Brycourt, Sizewell, F. & C. Eurotrust, London & European

**OVERSEAS TRADERS (1)**
Gill & Duffus

**RUBBERS (1)**
London Sumatra

**MINES (1)**
Tanks Con

### NEW LOWS (1)

**OILS (1)**
Aran Energy

## RISES AND FALLS YESTERDAY

| | Up | Down | Same |
|---|---|---|---|
| British Funds | 71 | — | 5 |
| Corpns., Dom. and Foreign Bonds | 8 | 1 | 53 |
| Industrials | 279 | 330 | 930 |
| Financial and Prop. | 99 | 115 | 294 |
| Oils | 8 | 10 | 18 |
| Plantations | 5 | 2 | 18 |
| Mines | 25 | 61 | 42 |
| Recent Issues | 11 | 11 | 13 |
| Totals | 506 | 536 | 1,373 |



## ACTIVE STOCKS

| Stock | Denomination | No. of marks | Closing price (p) | Change on day | 1978 high | 1978 low |
|---|---|---|---|---|---|---|
| ICI | £1 | 13 | 401 | + 4 | 421 | 328 |
| BATs Defd. | 25p | 11 | 275 | − 3 | 304 | 227 |
| BP | £1 | 11 | 912 | − 8 | 926 | 720 |
| GEC | 25p | 11 | 338 | − 5 | 338 | 233 |
| Beecham | 25p | 9 | 735 | − 5 | 743 | 583 |
| De Beers Defd. | R0.05 | 8 | 440 | − 8 | 488 | 285 |
| Marks & Spencer | 25p | 8 | 88 | + 1 | 94 | 67½ |
| Thorn Elect. | 25p | 8 | 388 | + 10 | 400 | 308 |
| Turner & Newell | £1 | 8 | 194 | − 4 | 209 | 166 |
| Boulton (Wm.) | 10p | 7 | 20 | + 1½ | 20 | 15 |
| Cons. Gold Fields | 25p | 7 | 186 | − 2 | 204 | 163 |
| GKN | £1 | 7 | 295 | − 2 | 338 | 248 |
| Northern Eng. | 25p | 7 | 139 | − 2 | 142 | 84 |
| Rolls-Royce | 25p | 7 | 117 | + 7½ | 117 | 63½ |
| Shell Transport | 25p | 7 | 575 | + 1 | 602 | 484 |

## RECENT ISSUES

### EQUITIES

| Issue Price p | Amount Paid Up | Latest Renunc. Date | 1978 High | 1978 Low | Stock | Closing Price p | + or − | Div. Amount | Times Covered | Gross Yield | P.E. Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 55 | F.P. | 31/8 | 87 | 71 | Carrters Superfoods | 85 | ... | b2.41 | 3.1 | 4.3 | 7.6 |
| ‡‡ | F.P. | — | 12½ | 4 | Emray | 10 | ... | — | — | — | — |
| ‡‡ | ... | ... | — | — | Intl. Thomson | — | ... | — | — | — | — |
| 115 | F.P. | 8/9 | 169 | 136 | Jones (E.) (Jew Irs) 20p | 160 | −2 | r5.5 | 2.1 | 5.1 | 13.9 |
| ‡‡ | F.P. | — | 36 | 36 | Manor Nat Grp. Mtrs | 36 | −½ | 62.14 | 1.5 | 8.9 | 12.5 |

### FIXED INTEREST STOCKS

| Issue Price £ | Amount Paid Up | Latest Renunc. Date | 1978 High | 1978 Low | Stock | Closing Price £ | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### "RIGHTS" OFFERS

| Issue Price p | Amount Paid Up | Latest Renunc. Date | 1978 High | 1978 Low | Stock | Closing Price p | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Renunciation date usually last day for dealing free of stamp duty. [illegible]

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Wed., Sept. 20, 1978 Index No. | Day's Change % | Est. Earnings Yield % (Max.) Corp. Tax 52% | Gross Div. Yield % (ACT at 33%) | Est. P/E Ratio (Net) Corp. Tax 52% | Tues., Sept. 19 Index No. | Mon., Sept. 18 Index No. | Fri., Sept. 15 Index No. | Thur., Sept. 14 Index No. | Year ago (approx.) Index No. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (171) | 255.01 | +0.4 | 15.18 | 4.68 | 9.05 | 254.05 | 255.66 | 254.44 | 256.28 | 215.24 |
| 2 | Building Materials (27) | 221.79 | +0.4 | 15.90 | 5.06 | 8.67 | 220.91 | 221.95 | 223.60 | 226.00 | 198.41 |
| 3 | Contracting, Construction (28) | 413.26 | +0.1 | 17.20 | 3.81 | 8.48 | 412.81 | 414.65 | 411.06 | 419.51 | 335.65 |
| 4 | Electricals (14) | 578.70 | +1.0 | 12.53 | 3.20 | 11.04 | 572.84 | 577.32 | 570.81 | 573.08 | 452.36 |
| 5 | Engineering Contractors (14) | 380.22 | −0.4 | 17.47 | 5.73 | 7.76 | 381.91 | 384.53 | 378.24 | 380.90 | 312.35 |
| 6 | Mechanical Engineering (72) | 202.21 | +0.1 | 16.28 | 5.39 | 8.19 | 202.09 | 203.16 | 202.41 | 204.75 | 172.50 |
| 8 | Metals and Metal Forming (16) | 181.73 | +0.3 | 14.76 | 7.82 | 9.39 | 181.23 | 182.91 | 182.60 | 180.39 | 168.08 |
| | CONSUMER GOODS | | | | | | | | | | |
| 11 | (DURABLE) (53) | 223.27 | +0.9 | 15.64 | 4.74 | 8.91 | 221.27 | 224.46 | 223.38 | 226.17 | 202.88 |
| 12 | LT. Electronics, Radio TV (16) | 273.68 | +1.1 | 13.68 | 3.72 | 10.22 | 270.82 | 275.93 | 274.35 | 278.77 | 244.26 |
| 13 | Household Goods (12) | 188.34 | −0.4 | 15.93 | 6.01 | 8.66 | 189.02 | 190.09 | 188.94 | 190.17 | 181.17 |
| 14 | Motors and Distributors (25) | 134.46 | +0.9 | 18.78 | 6.14 | 7.39 | 133.20 | 134.42 | 134.03 | 135.09 | 124.21 |
| | CONSUMER GOODS | | | | | | | | | | |
| 21 | (NON-DURABLE) (173) | 223.08 | +0.5 | 14.91 | 5.51 | 9.05 | 222.03 | 224.82 | 224.66 | 228.23 | 201.40 |
| 22 | Breweries (14) | 236.80 | +0.7 | 14.69 | 5.93 | 9.36 | 235.21 | 238.50 | 238.95 | 240.43 | 211.83 |
| 23 | Wines and Spirits (6) | 296.32 | +1.2 | 14.38 | 4.85 | 10.38 | 292.67 | 297.84 | 299.10 | 301.24 | 246.11 |
| 24 | Entertainment, Catering (17) | 279.76 | +0.9 | 14.51 | 6.21 | 10.06 | 277.17 | 281.18 | 273.99 | 281.53 | 251.10 |
| 25 | Food Manufacturing (20) | 217.87 | −0.5 | 17.38 | 5.14 | 7.62 | 218.93 | 220.71 | 220.33 | 223.85 | 203.86 |
| 26 | Food Retailing (15) | 235.32 | +0.6 | 12.91 | 4.37 | 10.74 | 233.97 | 235.94 | 234.50 | 237.92 | 218.57 |
| 32 | Newspapers, Publishing (12) | 408.44 | +0.5 | 19.11 | 5.89 | 7.33 | 406.44 | 414.00 | 413.78 | 422.75 | 341.19 |
| 33 | Packaging and Paper (15) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 34 | Stores (40) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 35 | Textiles (25) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 36 | Tobaccos (3) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 37 | Toys and Games (6) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 41 | OTHER GROUPS (99) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 42 | Chemicals (19) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 43 | Pharmaceutical Products (7) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 44 | Office Equipment (6) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 45 | Shipping (10) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 46 | Miscellaneous (56) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 49 | INDUSTRIAL GROUP (496) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 51 | Oils (5) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 59 | 500 SHARE INDEX | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 61 | FINANCIAL GROUP (100) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 62 | Banks (6) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 63 | Discount Houses (10) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 64 | Hire Purchase (5) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 65 | Insurance (Life) (10) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 66 | Insurance (Composite) (7) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 67 | Insurance Brokers (10) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 68 | Merchant Banks (14) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 69 | Property (31) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 70 | Miscellaneous (7) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 71 | Investment Trusts (50) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 81 | Mining Finance (4) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 91 | Overseas Traders (19) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 99 | ALL-SHARE INDEX (673) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### FIXED INTEREST PRICE INDICES

| | British Government | Wed., Sept. 20 | Day's change % | xd adj. To-day | xd adj. 1978 to date |
|---|---|---|---|---|---|
| 1 | Under 5 years | [illegible] | [illegible] | [illegible] | [illegible] |
| 2 | 5-15 years | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 | Over 15 years | [illegible] | [illegible] | [illegible] | [illegible] |
| 4 | Irredeemables | [illegible] | [illegible] | [illegible] | [illegible] |
| 5 | All stocks | [illegible] | [illegible] | [illegible] | [illegible] |

### FIXED INTEREST YIELDS — Br. Govt. Av. Gross Red.

| | | | Wed., Sept. 20 | Tues., Sept. 19 | Year ago (approx.) |
|---|---|---|---|---|---|
| 1 | Low | 5 years | [illegible] | [illegible] | [illegible] |
| 2 | Coupons | 15 years | [illegible] | [illegible] | [illegible] |
| 3 | | 25 years | [illegible] | [illegible] | [illegible] |
| 4 | Medium | 5 years | [illegible] | [illegible] | [illegible] |
| 5 | Coupons | 15 years | [illegible] | [illegible] | [illegible] |
| 6 | | 25 years | [illegible] | [illegible] | [illegible] |
| 7 | High | 5 years | [illegible] | [illegible] | [illegible] |
| 8 | Coupons | 15 years | [illegible] | [illegible] | [illegible] |
| 9 | | 25 years | [illegible] | [illegible] | [illegible] |
| 10 | Irredeemables | | [illegible] | [illegible] | [illegible] |

| | | Wed., Sept. 20 Index No. | Yield | Tues., Sept. 19 | Mon., Sept. 18 | Fri., Sept. 15 | Thur., Sept. 14 | Wed., Sept. 13 | Tues., Sept. 12 | Year ago (approx.) |
|---|---|---|---|---|---|---|---|---|---|---|
| 15 | 20-yr. Red. Deb & Loans (15) | 57.54 | 12.90 | 57.55 | 57.55 | 57.57 | 57.57 | 57.92 | 57.85 | 57.81 |
| 16 | Investment Trust Prefs. (15) | 51.87 | 13.41 | 51.87 | 51.87 | 51.12 | 51.12 | 51.58 | 51.38 | 53.82 |
| 17 | Coml. and Indl. Prefs. (20) | 71.37 | 12.85 | 71.21 | 71.21 | 71.51 | 71.20 | 70.97 | 70.94 | 70.74 |

* Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

## LEADERS AND LAGGARDS

The following table shows the percentage changes which have taken place since December 30, 1977, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

| Section | % change |
|---|---|
| Gold Mines FT | [illegible] |
| Engineering Contractors | [illegible] |
| Mechanical Engineering | [illegible] |
| Electricals | [illegible] |
| Mining Finance | [illegible] |
| Toys and Games | [illegible] |
| Capital Goods Group | [illegible] |
| Contracting and Construction | [illegible] |
| Office Equipment | [illegible] |
| Newspapers and Publishing | [illegible] |
| Overseas Traders | [illegible] |
| Electronics, Radio and TV | [illegible] |
| Packaging and Paper | [illegible] |
| Wines and Spirits | [illegible] |
| Chemicals | [illegible] |
| Building Materials | [illegible] |
| Consumer Goods (Durable) Group | [illegible] |
| Metal and Metal Forming | [illegible] |
| Industrial Group | [illegible] |
| Investment Trusts | [illegible] |
| 500 Share Index | [illegible] |
| Other Groups | [illegible] |
| Tobaccos | [illegible] |
| All-Share Index | [illegible] |
| Pharmaceutical Products | [illegible] |
| Consumer Goods (Non-durable) Group | [illegible] |
| Food Manufacturing | [illegible] |
| Food Retailing | [illegible] |
| Property | [illegible] |
| Stores | [illegible] |
| Textiles | [illegible] |
| Oils | [illegible] |
| Entertainment and Catering | [illegible] |
| Merchant Banks | [illegible] |
| Insurance Brokers | [illegible] |
| Household Goods | [illegible] |
| Insurance (Life) | [illegible] |
| Breweries | [illegible] |
| Financial Group | [illegible] |
| Banks | [illegible] |
| Hire Purchase | [illegible] |
| Discount Houses | [illegible] |
| Motors and Distributors | [illegible] |
| Insurance (Composite) | [illegible] |
| Shipping | [illegible] |

* Percentage changes based on Tuesday, September 19, 1978, indices.

**Kathy Bishtawi reports on an uninsurable activity**

# Banking in a city of lawlessness

EARLIER this year a foreign banker in Beirut suddenly found himself in the middle of a hold-up. He confidently pressed the alarm button to summon forth the local police but to his horror no one came. The gunmen, armed with sub-marine guns, made off with a sizeable hoard of cash while he sat helpless at his desk. When it was all over, he went down to the police station to ask why help had not arrived. The response was more or less in the vein of "are you kidding?"

Banking in Beirut nowadays calls to mind images of the American Wild West—except in Lebanon's case, there is no sturdy Mat Dillon to call on. The two-year civil war has left the country with a divided and weakened police force and a government with no instrument of power. On a good day the death toll is under the ten mark, and not even the local Press bother to report the countless kidnappings, rapes, and muggings which take place daily.

The Boorj Avenue in downtown Beirut, once the hub of the Arab banking world, finds itself uncomfortably one block away from the hottest spot in the city: the line which divides Beirut into the Christian east and predominantly Muslim west. By mid-day taxis disappear from the street and the few Christian employees, if they have made it to their offices that day, embark on their hazardous journey home.

"It's an eerie feeling driving your car down a deserted street knowing that a sniper might have his eye on you," remarked a British banker stoically. Some of the American bankers get 40 per cent more on their salaries in allowances for working in Beirut, though tactfully it is not referred to as danger money.

Before the war, the banking sector in Lebanon was dominated by the Christians, but with the heavy shelling of their areas by Syrian forces recently few are able to make it to work each day. "What is more irritating," said one manager, "is that one sniper in a strategic crossing point can close this whole town down."

## Skeleton staff

Many of the banks have reacted to the *de facto* partition by opening up branches on the Christian side. But those which have not frequently found themselves operating with a skeleton staff. One American bank which previously had 125 employees was making do with six—"the ones I have. I am teaching all fields of banking so that at least I can run a semblance of a complete service," he remarked.

On the bad days, managers have been known to be the only employee to turn up, and more than one foreign banker has found himself writing out transfers himself.

A deserted, looted and burned street in Beirut.

Security of assets is another headache. One American banker estimated that there had been as many as seven robberies since the beginning of this year. The unlucky Chemical Bank has been hit twice.

With no police force to call on, the banks have become virtually uninsurable, and cash transfers have become a nightmare. One foreign banker and his chief cashier recently resorted to carrying a transfer to the central bank in shoe boxes; others organise fleets of cars with armed messengers. Even these tactics provide little security in a city where one person in 30 is armed

Even if a bank is able to secure insurance cover, strict limits are made on how much can be transferred at one time, and it is unlikely that the policy would cover hold-ups, only break-ins, which are rare. Some insurance companies are also excluding a fidelity guarantee, where the loyalty of the messenger is insured; for many bankers are acquiring the feeling that the numerous cash hijacks are inside jobs. Some bankers have been asked for as much as £13,000 a year in premiums to cover against bank robberies—more than what is generally moved in any one transfer. "It is a polite way of saying that you are uninsurable," said one local insurance broker.

One American banker who had no insurance cover remarked: "what's the point of crying over what you can't change?" He had recently tried to fix up an alarm cable to the local police station through the good offices of the Interior Minister. Nothing had happened for several months about his request, and he didn't feel it diplomatic bothering the Minister when the fighting in the eastern sector was so heavy. "He has enough on his plate as it is," he remarked.

In times of heavy fighting, each bank has its own escape formula. Many keep emergency offices, usually second floor offices tucked away in the back of buildings. Duplication of records and their daily updating has become a routine affair for most banks. Clearing sessions at the central bank (when it is open) have now declined to two a week, for frequently the Bank of Lebanon is unable to function at all, owing to the shortage of employees able to come to work.

The insurance problem causes difficulties in even day-to-day banking. For no letter of credit can be opened without it. Door-to-door insurance cover for cargoes moving around within Lebanon evaporated some months ago.

## Militias

One U.S. banker said he would ask his clients "a million questions before opening a LC." Such factors as which port and the importer's relations with the various militias which control the areas through which the shipment would pass, would be vital to know. "Even after all that, it is 90 per cent likely that I would not do it," he said. However, some of the local banks are proving more amenable to LCs, particularly for cargoes coming through the airport. Beirut port is completely out: "it has become too much of a political pawn," commented one banker.

In the meantime, the American banker explained, the priority was to look after the needs of existing customers: "I don't want any new clients. And as for any new loans, at the moment, I wouldn't finance a hole in the ground in this country."



**APPOINTMENTS**

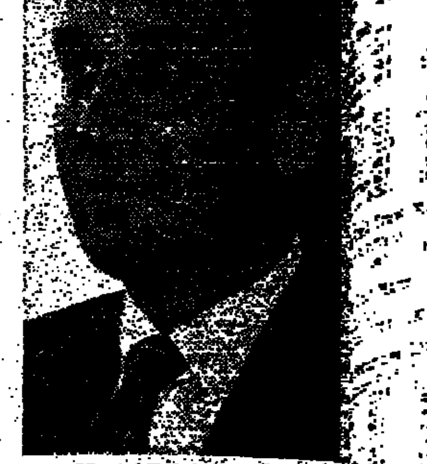
# Chief executive post for Alistair Frame at RTZ

Mr. Alistair Frame has been appointed joint deputy chairman and chief executive of the RIO TINTO-ZINC CORPORATION. Sir Mark Turner will remain full-time chairman and Lord Shackleton retains his present responsibilities as joint deputy chairman.

Aged 49, Mr. Frame joined the RTZ Group in 1968, after 13 years in the nuclear power industry, latterly as a director of the reactor and research groups of the United Kingdom Atomic Energy Authority.

In 1970 he was appointed technical co-ordinator of RTZ Britain and subsequently became managing director of RTZ Development Enterprises, being responsible for the management of the Channel Tunnel project until its abandonment by the Government.

Mr. Frame was made a director of RTZ in September 1972, became technical director of the RTZ Group in 1975, and was appointed deputy chief executive of RTZ in January 1977.



Mr. Alistair Frame

★

Mr. Roy Cresswell has been appointed technical director of WEIR FOUNDRIES from October 2. The company co-ordinates the operations of the Weir Group's steel foundry companies in Leeds, Sheffield, Sunderland and Alston.

★

Mr. G. I. Merelie has been appointed to the main Board of WATSON NORIE GROUP as finance director. Mr. J. Bremner, operations director, has become a director of Watson Norie International.

★

Mr. Raymond F. Miller, general manager of the London branch of BANKERS TRUST COMPANY since 1976, and a director of Bankers Trust International, has been promoted to senior vice president of the Bankers Trust Company and continues as its general manager.

Mr. Raymond Miller

★

Mr. G. W. Hague has been appointed joint managing director with Lord Remnant of TOUCHE REMNANT AND CO.

★

Mr. Anthony E. Garcia has joined the Board of AMPEX CORPORATION, of the U.S. in place of Mr. William Blakkie, who has retired.

★

Mr. Norman J. Waterman has been elected to the Board of FABERGE INC., following his appointment as president of Faberge International, Inc. He continues as managing director of Faberge U.K.

★

Mr. Steven H. Schaeffer has been appointed a director of RELIANCE FINANCIAL AND CONSULTING GROUP, a subsidiary of the Reliance Group in the U.S. He has also been named a vice-president of the Reliance Insurance Company in the U.S. and Pilot Insurance Company in Canada.

★

AUDITS OF GREAT BRITAIN has appointed Mr. Graham Pile, formerly associate director, to full director responsible for TCA Production.

★

Mr. Nigel Bailey has been appointed financial director of MINSTER AUTOMATION.

★

Mr. Peter Walsh has been appointed to the Board of GEORGE T. ROBINSON.

★

Mr. Robert C. Dziengeleski, Mr. Papken Megerian and Mr. Brian Simblist have been appointed assistant vice-presidents in the international department of the FIDELITY BANK. Mr. Dziengeleski is an *international* lending officer in the Africa/Middle East Group, Mr. Megerian is head of operations for the bank's International Department, and Mr. Simblist is an international lending officer for Europe, who is at present in the bank's London office. John K. Chase has been promoted to senior international officer and Mr. Arun Chauhan has become international officer.

★

CITIBANK states that the following executives in Citicorp's consumer services group have been appointed vice-presidents: Mr. John A. Angus, Mr. Eddie Bogaerts, Mr. Pat J. Boylan and Mr. Paul A. Cohen. The first three are based in the London headquarters of the group's European division. Mr. Cohen is a director of Citibank Trust, the group's consumer finance operation in the UK.

★

Mr. Samuel Brittan and Mr. Anthony Harris have become assistant editors of the FINANCIAL TIMES.

★

Mr. Michael R. Heerey is to become managing director of SATRA MOTORS, the sole UK concessionaires for Lada cars from October 1. He will succeed Mr. Nigel Hall-Palmer, who is taking on a new assignment for the parent Satra Industrial Corporation in the Federal German Republic and West Berlin. Mr. Heerey joined Satra Motors in May this year as managing director-designate after many years in the manufacturing and retail sectors of the motor industry. He was previously with Mecca as executive director of a number of subsidiaries including Pointer Motor Company. Prior to joining Mecca, Mr. Heerey was replace Mr. G. Edward Seidel, Volkswagen (GB).

★

AMERON BV has appointed a three-man management Board to replace Mr. G. Edward Seidel, managing director, who retires at the end of this month. It consists of Mr. Jan H. Vermeulen as president director; Mr. Richard A. Smith, director and general manager, protective coatings division; and Mr. Henry C. Koehler, director and general manager, corrosion resistant piping division.

★

Mr. William A. Shapland, chairman and group managing director of BLACKWOOD HODGE, has resigned as group managing director but continues as chairman. Mr. Charles L. Ferguson, a director of the company, who has

Mr. Charles Ferguson

been with the group since 1955 takes over as group managing director. Mr. Ferguson has also been made chairman of John Blackwood Hodge and Company in place of Mr. Shapland. Mr. Arthur C. Richards, managing director of United Dominions Trust, has become a non-executive director of Blackwood Hodge and Mr. Rees P. Jones is now finance director.

**CONTRACTS**

# Scottish firemen on call

MULTITONE ELECTRIC has a contract worth almost £300,000 to equip the Grampian Fire Brigade in Scotland with the "Multitone Fireman's Personal Radio System," for mobilising teams of retained firemen throughout any county, wherever they might be. Individual officers or firemen can be paged when away from their vehicle radio on fire prevention or other duties.

★

SIMPSON McLAREN is modernising 128 houses at Burnbrae, Alexandria, for £700,000.

★

BORDER ENGINEERING CONTRACTORS is to build 58 houses at Beck Green, Egremont, Cumbria, valued at £619,500; and the superstructure at Water Treatment Works at Stodday, Nr. Lancaster, for £180,300.

★

Electrical work on the new laboratory at the Pembroke Refinery of Texaco is to be handled by the Bristol branch of HADEN YOUNG. The £50,000 contract has been awarded by IDC, Stratford-upon-Avon, designers and builders of the laboratory.

★

PLESSEY COMMUNICATIONS AND DATA SYSTEMS, Beeston, Notts, has won Ministry of Defence orders for combat communications systems for the Royal Navy worth £670,000. The larger of the two orders is for Rationalised Internal Communications Equipment (RICE) Mark II, designed to meet specific communications requirements for medium to large surface vessels. The second order is for Voice International Communications Equipment for Submarines (VICES) for a new SSN13 and refits for Revenge, Swiftsure and Churchill—all nuclear powered submarines.

★

Design and construction of a 38,000 sq ft factory complex at Beeston Royds Industrial Estate, Gelderd Road, Leeds, for Hansen Transmissions, including building a 7,000 sq ft two storey office block, is to be undertaken by S. W. CLARKE (CONTRACTORS) under a contract worth more than £500,000. Hansen Transmissions, a member of the Thomas Tilling Group, having recently moved to Leeds from Rochester, Kent, has acquired from Leeds City Council the lease on a 2.5 acre site with an option on a further 2 acres at the Beeston Royds Industrial Estate, Gelderd Road.

★

CARRIER-ROSS ENGINEERING has an order valued at £28,000 from British Gypsum, for heat recovery plant to be installed at East Leake, near Loughborough.

# AUTHORISED UNIT TRUSTS

**Target Tst. Mngrs. Ltd.♥ (a)(g)**
31, Gresham St., EC2 Dealings: 0296 5941

| | | | | |
|---|---|---|---|---|
| Target Commodity | 40.1 | 43.1 | -0.2 | 3.47 |
| Target Financial | 62.7 | 68.1 | -0.1 | 4.29 |
| Target Equity | 40.7 | 43.8 | +0.3 | 5.60 |
| Target Ex. Sept. 20 | 227.8 | 239.8 | ... | 6.30 |
| ♦Do. Acc. Units | 309.4 | 325.7 | | 6.30 |
| Target Gilt Fund | 117.0 | 122.7 | +0.1 | 3.00 |
| Target Growth | 30.2 | 32.5 | -0.1 | 4.32 |
| Target Intl. | 27.9 | 30.0 | -0.4 | 2.43 |
| Do. Reinv. Units | 31.0 | 33.3 | -0.6 | 2.43 |
| Target Inv. | 35.1 | 37.7 | -0.1 | 3.33 |
| Tgt. Pr. Sept. 20 | 167.0 | 175.8 | | 3.95 |
| Tgt. Inc. | 32.3 | 34.7 | -0.1 | 7.44 |
| Tgt. Pref. | 13.6 | 14.9 | | 11.82 |
| Tgt. Special Sits. | 21.6 | 23.2 | -0.2 | 4.73 |

**Ulster Bank♥ (a)**
Waring Street, Belfast. 0232 35231

| | | | | |
|---|---|---|---|---|
| (b)Ulster Growth | 40.1 | 43.1 | -0.3 | 4.93 |

**Unit Trust Account & Mgmt. Ltd.**
King William St. EC4R 9AR 01-623 4951

| | | | | |
|---|---|---|---|---|
| Friars Hse. Fund | 173.0 | 183.0 | ...... | 4.22 |
| Wieler Grth. Fnd. | 32.8 | 34.6 | ...... | 4.39 |
| Do. Accum. | 38.5 | 40.6 | ...... | 4.39 |

**Wieler Growth Fund**
King William St. EC4R 9AR 01-623 4951

| | | | | |
|---|---|---|---|---|
| Income Units | 32.8 | 34.6 | ... | 4.39 |
| Accum. Units | 38.5 | 40.6 | ... | 4.39 |

**Practical Invest. Co. Ltd.♥ (y)(c)**
44, Bloomsbury Sq. WC1A 2RA 01-623 8893

| | | | | |
|---|---|---|---|---|
| Practical Sept. 20 | 167.6 | 177.6 | +0.4 | 3.94 |
| Accum. Units | 236.9 | 251.2 | +0.4 | 3.94 |

**Finlay Unit Trust Mngt. Ltd.**
West Nile Street, Glasgow. 041 204 1321

| | | | | |
|---|---|---|---|---|
| Finlay Internat'l. | 25.8 | 27.2 | -1.6 | 2.13 |
| Accum. Units | 29.5 | 32.0 | -1.9 | 2.13 |
| Finlay Income | 35.8 | 38.8 | -0.2 | 7.77 |
| Finlay Euro.Fin. | 28.0 | 30.5 | -0.4 | 3.51 |
| Accum. Units | 32.8 | 35.5 | -0.4 | 3.51 |
| Finlay Fd.In.Tst. | 30.2 | 32.7 | ...... | 3.88 |
| Accum. Units | 34.6 | 37.6 | ...... | 3.88 |

Prices Sept. 20. Next dealing Sept. 27.

**CORAL INDEX: Close 529-534**

## INSURANCE BASE RATES

| | |
|---|---|
| †Property Growth | 10¼% |
| †Vanbrugh Guaranteed | 9.25% |

†Address shown under Insurance and Property Bond Table.

# INSURANCE AND PROPERTY BONDS

**Abbey Life Assurance Co. Ltd.**
1-3 St. Paul's Churchyard, EC4. 01-248 9111

| | | | | |
|---|---|---|---|---|
| Equity Fund | 39.8 | 41.9 | ...... | — |
| Equity Acc. | 34.3 | 36.2 | ...... | — |
| Property Fd. | 150.8 | 158.8 | ...... | — |
| Property Acc. | 157.0 | 165.3 | ...... | — |
| Selective Fund | 96.0 | 101.0 | ...... | — |
| Convertible Fund | 132.6 | 139.6 | ...... | — |
| ♥Money Fund | 123.3 | 129.8 | ...... | — |
| ♥Prop. Fd. Ser. 4 | 129.0 | 135.8 | ...... | — |
| ♥Man. Fd. Ser. 4 | 140.7 | 148.2 | ...... | — |
| ♥Equity Fd. Ser. 4 | 38.1 | 40.2 | ...... | — |
| ♥Conv. Fd. Ser. 4 | 113.2 | 119.2 | ...... | — |
| ♥Money Fd. Ser. 4 | 111.2 | 117.1 | ...... | — |

**Crusader Insurance Co. Ltd.**
Vincula House, Tower Pl., EC3. 01-626 8031

| | | | | |
|---|---|---|---|---|
| Gth. Prop. Sept. 5 | 72.6 | 82.3 | ...... | — |

**Eagle Star Insur/Midland Assur.**
1, Threadneedle St., EC2. 01-588 1212

| | | | | |
|---|---|---|---|---|
| Eagle/Mid. Units | 56.7 | 58.8 | ... | 5.82 |

**Equity & Law Life Ass. Soc. Ltd.♥**
Amersham Road, High Wycombe 0494 33377

| | | | | |
|---|---|---|---|---|
| Equity Fd. | 123.5 | 130.0 | -0.3 | — |

**London Indemnity & Gnl. Ins. Co. Ltd.**
18-20, The Forbury, Reading 583511.

| | | | | |
|---|---|---|---|---|
| Money Manager | 36.1 | 38.9 | -0.2 | — |
| M M. Flexible | 32.1 | 33.9 | -0.2 | — |
| Fixed Interest | 34.8 | 36.7 | ...... | — |

**The London & Manchester Ass. Gp.♥**
Winslade Park, Exeter. 0392-52155

| | | | |
|---|---|---|---|
| Cap. Growth Fund | 245.8 | ...... | — |
| ♦Flex. Exempt Fd. | 141.9 | ...... | — |
| ♦Exempt Prop. Fd. | 94.4 | ...... | — |
| ♦Expt. Inv. Tst. Fd. | 163.4 | ...... | — |
| Flexible Fund | 121.2 | ...... | — |

**Save & Prosper Group♥**
4, Gt. St. Helen's, Lndn., EC3P 3EP. 01-554 8899

| | | | | |
|---|---|---|---|---|
| Bal. Inv. Fd. | 134.0 | 141.8 | -0.7 | — |
| Property Fd.* | 158.9 | 168.2 | ...... | — |
| Gilt Fd. | 124.3 | 130.9 | ...... | — |
| Deposit Fd† | 124.8 | 131.4 | ...... | — |
| Comp. Pens. Fd.† | 213.5 | 224.8 | -1.2 | — |
| Equity Pens. Fd. | 198.4 | 209.4 | -1.1 | — |
| Prop. Pens. Fd.* | 231.3 | 244.2 | ...... | — |
| Gilt Pens. Fd. | 95.3 | 100.4 | -0.1 | — |
| Depos. Pens. Fd.† | 100.5 | 105.8 | ...... | — |

*Prices on September 12.
†Weekly dealings.

# OFFSHORE AND OVERSEAS FUNDS

**Alexander Fund**
37, rue Notre Dame, Luxembourg.

| | | | |
|---|---|---|---|
| Alexander Fund | $US7.47 | -0.48 | ... |

Net asset value September 13.

**Allen Harvey & Ross Inv. Mgt. (C.I.)**
1, Charing Cross, St. Helier, Jsy. C.I. 0534-73741

| | | | | |
|---|---|---|---|---|
| AHR Gilt Edg. Fd. | 10.00 | 10.02 | ...... | 12.15 |

**Arbuthnot Securities (C.I.) Limited**
P.O. Box 284, St. Helier, Jersey 0534 72177

**Keyselex Mngt., Jersey Ltd.**

**King & Shaxson Mgrs.**

**J.E.T. Managers (Jersey) Ltd.**
PO Box 194, Royal Tst. Hse., Jersey 0534 27441

| | | | | |
|---|---|---|---|---|
| Jersey Extral. Tst. | 197.0 | 209.0 | ... | — |

As at August 31. Next sub. day Sept. 29.

**Jardine Fleming & Co. Ltd.**
46th Floor, Connaught Centre, Hong Kong

| | | | | |
|---|---|---|---|---|
| Jardine Estn. Tst. | HK$375.52 | | | 1.90 |
| Jardine J'pn. Fd.* | HK$401.98 | | | 0.90 |
| Jardine S.E.A. | $US20.46 | ... | | 1.40 |
| Jardine Flem. Int. | HK$12.42 | ... | | — |
| Intl. Pac. Secs. (Inc.) | HK$14.91 | | | — |
| Do. (Accum.) | HK15.16 | | | — |

NAV Sept. 14 *Equivalent $US82.64.
Next sub. Oct. 6.

**Warburg Invest. Mngt. Jrsy. Ltd.**
1, Charing Cross, St. Helier, Jsy. CI 0534 73741

| | | | | |
|---|---|---|---|---|
| CMF Ltd. Aug. 31 | $US13.33 | 13.68 | ... | — |
| CMT Ltd. Aug. 31 | £13.82 | 14.18 | ... | — |
| Metals Tst. Aug. 17 | £12.22 | 12.52 | ... | — |
| TMT Sept. 14 | $US11.46 | 11.76 | ... | — |
| TMT Ltd. Sept. 14 | £11.39 | 11.69 | ... | — |

**World Wide Growth Management♦**
10a, Boulevard Royal, Luxembourg.

| | | | |
|---|---|---|---|
| Worldwide Gth. Fd. | $US16.74 | -0.25 | — |

## NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. § Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

THE JOBS COLUMN

# Spectre of a nation of 'note jugglers'

BY MICHAEL DIXON

WHO do you think wrote this?:

"I would not say that a man in business needs to know nothing at all about finance, but he is better off knowing too little than too much, for if he becomes too expert he will get into the way of thinking that he can borrow money instead of earning it and then he will borrow more money to pay back what he has borrowed, and instead of being a businessman he will be a note juggler, trying to keep in the air a regular flock of bonds and notes."

The author was the original Henry Ford. And if he was right, a sadly questioning eyebrow migh tbe raised at the prospects for British business.

For as the table alongside shows, financial work is by far the most popular occupation among people leaving UK universities and polytechnics with bachelor-level degrees.

The table ranks the different broad categories of UK employment according to the number of recruits they are known to have gained from the 1977 crop of new degree-winners, excluding university medical graduates. Doubtless the number assigned to each of the 14 categories of work, as distinct from full-time further education or training, was in reality swelled by other graduates who appear in the table under "whereabouts unknown."

These enigmas, by the way, are the leavers who have dodged the efforts of the university and polytechnic careers advisers to trace them. Nearly 8,500, representing roughly £126m of public investment, were thus lost to the national manpower accounts last year. As a whole, the universities proved fairly successful in keeping track of their expensive products, less than 10 per cent having gone beyond ken. But the polytechnics, who mislaid more than one in five of their far smaller total output, clearly need to invest more care and money in their careers and appointments operations.

I feel sure that Henry Ford would say "Bunk!" if not something stronger, were he to look at my figures and see that of the total known to have entered employment in the UK, about one in every seven and a half had taken up financial work. That compares with one in every 13½ gone into production jobs, and rather less than one in every 15 occupied in buying, marketing and selling.

Since the bulk of the recruitment of "note jugglers"—which shows a considerable bias against polytechnics and against women—doubtless went into accountancy - training, these latest figures reinforce the Jobs Column's warning on July 18 that before the next decade is out, accountancy is highly likely to become a much overcrowded profession.

Considering the other entry route for school leavers at the Advanced-level of the General Certificate of Education, we now seem firmly on course for an accountancy profession which in the mid-1980s will have between two-thirds and three-quarters of its qualified members aged under 45.

Feasting on the current wealth of job opportunities, accountants—like Belshazzar—will scarcely welcome my writing on their wall. But I nonetheless feel it must be done. So: Mene, mene, tekel, upharsin!

Unless recruitment policies are adjusted soon to forestall the evidently impending squeeze on promotion prospects, and especially so in the big England and Wales chartered firms, the younger end of the profession may well find before long that, to move out into more general management, they will need to be not only jugglers, but also Houdinis.

## NATIONAL MANPOWER ACCOUNTS FOR LAST YEAR'S NEW GRADUATES

| Ranking | Destination | Univs. science & tech. | Polys. science & tech. | Univs. other subjects | Polys. other subjects | Total at bachelor level | Total % | Univs.' output % | Polys.' output % | Men at bachelor level % | Women at bachelor level % |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Financial work | 972 | 60 | 2,748 | 453 | 4,233 | 6.1 | 6.7 | 3.7 | 7.4 | 3.7 |
| 2 | Temporary jobs | 981 | 192 | 1,912 | 741 | 3,826 | 5.5 | 5.2 | 6.7 | 5.0 | 6.4 |
| 3 | Research, design and development | 3,091 | 515 | 66 | 29 | 3,701 | 5.3 | 5.6 | 3.9 | 7.1 | 2.0 |
| 4 | Personnel and welfare | 1,122 | 31 | 1,311 | 599 | 3,063 | 4.4 | 4.4 | 4.5 | 2.8 | 7.3 |
| 5 | Management of general kind | 639 | 81 | 1,364 | 285 | 2,369 | 3.4 | 3.6 | 2.6 | 3.4 | 3.4 |
| 6 | Production | 1,499 | 433 | 256 | 165 | 2,353 | 3.4 | 3.1 | 4.3 | 4.8 | 0.7 |
| 7 | Management services | 1,380 | 246 | 328 | 88 | 2,042 | 2.9 | 3.1 | 2.4 | 3.3 | 2.3 |
| 8 | Buying, marketing and selling | 512 | 75 | 1,142 | 305 | 2,034 | 2.9 | 3.0 | 2.7 | 3.0 | 2.8 |
| 9 | Environmental planning | 1,132 | 395 | 125 | 278 | 1,930 | 2.8 | 2.2 | 4.9 | 4.0 | 0.5 |
| 10 | Miscellaneous | 194 | 29 | 816 | 510 | 1,549 | 2.2 | 1.8 | 3.9 | 1.5 | 3.4 |
| 11 | Teaching | 146 | 11 | 589 | 560 | 1,306 | 1.9 | 1.3 | 4.1 | 1.0 | 3.5 |
| 12 | Routine scientific work | 847 | 185 | 19 | 6 | 1,057 | 1.5 | 1.5 | 1.4 | 1.6 | 1.4 |
| 13 | Legal work | 28 | 1 | 952 | 68 | 1,049 | 1.5 | 1.8 | 0.5 | 1.6 | 1.3 |
| 14 | Information work | 119 | 13 | 575 | 174 | 881 | 1.3 | 1.2 | 1.4 | 0.6 | 2.5 |
| | Total known to have entered UK employment | 12,662 | 2,267 | 12,203 | 4,261 | 31,393 | 45.1 | 44.5 | 47.0 | 47.1 | 41.2 |
| | Believed unemployed at December 31, 1977 | 1,265 | 224 | 1,781 | 723 | 3,993 | 5.7 | 5.5 | 6.8 | 5.7 | 5.7 |
| | Research and further academic study | 4,080 | 324 | 2,511 | 606 | 7,521 | 10.8 | 11.8 | 6.7 | 12.0 | 8.5 |
| | Vocational training for teaching, law, etc. | 2,229 | 148 | 8,094 | 1,261 | 11,732 | 16.8 | 18.5 | 10.2 | 12.0 | 25.6 |
| | Overseas graduates returned home, Britons entered employment abroad, etc. | 2,607 | 662 | 2,927 | 451 | 6,647 | 9.5 | 9.9 | 8.0 | 10.6 | 7.7 |
| | Whereabouts unknown at December 31, 1977 | 1,992 | 914 | 3,508 | 2,037 | 8,451 | 12.1 | 9.8 | 21.3 | 12.6 | 11.3 |
| | Total graduates | 24,835 | 4,539 | 31,024 | 9,339 | 69,737 | 69,737 | 55,859 | 13,878 | 44,909 | 24,828 |

NEWLY QUALIFIED

# ACCOUNTANCY APPOINTMENTS

NEWLY QUALIFIED

# NEWLY QUALIFIED — ACCOUNTANCY APPOINTMENTS — NEWLY QUALIFIED

## FINANCIAL CONTROLLER DESIGNATE

### Salary from £7,000 depending on age and experience

Our client is one of the largest and most prestigious public companies specialising in Lloyd's and International insurance broking and allied financial services. They now wish to strengthen their financial management team by appointing a deputy to the Financial Controller responsible for the subsidiaries of the UK operating company.

The task is two-fold. It consists firstly of servicing the UK subsidiary companies, preparing management and financial accounts, acting as Secretary for statutory matters, dealing with auditors and giving financial advice to directors.

Secondly it involves carrying out financial analyses on behalf of the Group's security committees to evaluate the standing of the many companies world-wide with which the group has business.

You will be an ACA either newly qualified or already working in financial services, ideally in insurance.

Demonstrated success in the post is very likely to lead to you succeeding the present Financial Controller. The Group's size and standing ensure excellent opportunities for progression thereafter.

Your name will not go forward until you have had a full briefing and given your consent. Please send a summary of your employment history, achievements, current remuneration, age and a day time telephone number to:

R. H. COOKE
Business Development Consultants (International) Limited
26 Dorset Street,
London W1M 3FU

Recruitment consultants licensed in the UK.

BDC

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*Merchant Bank*

## *Young Chartered Accountants*

*c.£7000*

Hill Samuel & Co. Limited is one of the City's principal Accepting Houses employing some 4,000 staff in the Group with subsidiaries in Australia, Germany, Hong Kong, South Africa and Switzerland.

In extending the role of our Internal Audit Department to encompass all parts of the Group worldwide, a number of new appointments are to be made. We are seeking to fill these with recently qualified Accountants, who are probably still in the Profession and who are capable of making an early contribution to the quality and effectiveness of our financial control systems. Essential qualities include the ability to deal effectively with management at all levels and to be capable of working independently in planning and carrying out operational internal auditing. Some travel to overseas parts of the Group is involved and a working knowledge of German would be an advantage.

This is an excellent opportunity offering a view of the Group from the centre which, depending on achievement, will provide the scope for career development within other areas of a major Banking and Insurance organisation. Salary will be negotiable around £7000 per annum and outstanding company benefits include subsidised mortgage and luncheon facilities, non-contributory pension scheme, free life assurance and BUPA membership.

Candidates should apply in writing with brief details of their personal history, qualifications and experience to:—

P. G. S. Coulson,
Senior Personnel Officer,
Hill Samuel & Co. Limited
100, Wood Street,
LONDON, EC2P 2AJ.

HS

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*Newly Qualified?*

## GOVERNMENT ACCOUNTING

### A few facts you won't find in the books

To those accountants who believe that government work is "just backroom book-keeping on a grand scale" the facts could come as a surprise. For example, contributing to front-line policy decisions, along with administrators, other professionals, industrial and public leaders, is a typical activity. And the fact that government accountants, concerned principally with current issues of national interest and importance, have more to do with factories and Phantoms, oil and consumer prices than with dry columns of figures.

Another surprising element is the wide cross-section of work experienced by government accountants who could be involved in high-level contract negotiation, investigative accountancy, or the development of management accountancy systems. Their advice and recommendations carry considerable weight at the highest levels.

What all the facts add up to, is a progressive career where professional talents are developed and fully utilised and where business judgement and experience, as well as accounting expertise, are in constant demand by policymakers across the entire range of government activity.

There are opportunities in the headquarters offices of departments in London for which application may be made at any time. In addition, there are at present vacancies in Basingstoke, Bootle, Bristol, Cardiff, Chatham, Manchester and Southampton for which the closing date for applications is 6th October 1978.

Starting salary between £4,385 and £6,180 (according to location, age and experience) and promotion prospects to £9,000 and above. Appointments are pensionable and can be permanent or for a fixed period.

If you are eligible for admission as a Chartered, Certified, Cost and Management or Public Finance Accountant, write to Judy Wrighton, Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB or telephone her on Basingstoke (0256) 29222 ext 483. Please quote G(2)590/21.

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B&D

## RECENTLY QUALIFIED ACCOUNTANT with Line Management potential

**Maidenhead c.£7,500**

As a result of manufacturing high quality products, aggressive marketing and the development of financial awareness throughout the management structure, our client, Black & Decker has achieved a continuous and impressive growth rate over a long period and is determined to continue this trend.

As a member of the Management Investigation and Audit Function, the successful candidate will join a department which reviews operations over a broad spectrum and demonstrates a high degree of originality in its approach, both in the U.K. and overseas.

Candidates, probably in their mid-twenties, will be qualified accountants who possess both strong personal presence and the self motivation which will enable them to identify with the company's dynamic management style. Technically strong, it is essential they can communicate effectively at all levels and bring a creative approach to the function.

Success in this appointment will lead to a senior finance or general management position.

**If you believe you possess the qualities to meet this challenging appointment contact Nigel V. Smith, A.C.A., quoting reference 2227.**

DLA

**Douglas Llambias Associates Ltd.**
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS Tel. 01-836 9501
121 St Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

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## International Management Auditors

*c £7,500 + expenses*

British American Tobacco is the free world's largest tobacco company with operations in over 50 countries and a turnover in excess of £6,000 million.

If you are single, a Chartered Accountant and aged up to 26 then we can offer you a career with this British owned company, hard to match in life style and interest.

Most of your time will be spent overseas with all first class travel and living expenses paid. The work not only offers experience in management accountancy procedures and techniques, but also opportunities to become involved in line management and a variety of special assignments.

Career prospects are excellent since this is our primary source of Chartered Accountants into the company for progression to senior accounting/finance functions both in the U.K. and overseas.

Please reply giving brief career details to:

A. West, Esq.
British American Tobacco Company Limited.
7 Millbank,
LONDON SW1P 3JE.

B·A·T

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## Ambition

A much abused word, but it has importance. Importance to us and for you. Probably you think of yourself as bright, capable, keen to get on—AMBITIOUS. But can you fulfil our requirements? Something like—

- a good academic record that led to qualification?
- the drive and enthusiasm to put that knowledge into practice?
- the intelligence and commonsense to appreciate clients' difficulties?
- the flexibility and initiative to tackle problems as they arise in a top firm?
- personality—how do you communicate with colleagues and clients?
- can you inspire and motivate your fellow staff?

If you think you can, then talk to us about it. Just write or ring to tell us briefly about yourself and your abilities. It's quite easy.

The address is:

JLB

Josolyne Layton-Bennett & Co.,
Metropolis House,
39/45 Tottenham Court Road,
London W1P 0JL
Or Telephone 01-636 7777

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## NEWLY QUALIFIED ACCOUNTANT

Hall-Thermotank International Limited, a member of the APV group of companies and one of the leading organisations in the Refrigeration and Air-Conditioning Industry, have, as a result of expansion, a vacancy in the Financial Administration Department for a young qualified accountant to work in their office at Dartford.

The position offers the right person a chance to progress into a business career. Responsibilities will include the development of internal auditing centrally and support to a regional audit throughout the United Kingdom; specific financial tasks such as price applications to the Prices and Incomes Board; the maintenance and improvement of standards of clerical/administrative financial instruction for 28 profit centres will also be an integral part of the job function.

Applicants should possess good communication skills, both written and verbal, together with the initiative, interest and acceptability to develop the creditability of this new central role. Salary will be commensurate with a position of this standing and will not act as a barrier to the right person. Benefits will be those associated with a large and successful organisation.

If you are interested in this position and would like us to send you an Application Form please write or telephone:

**The Personnel Officer.
Hall-Thermotank International Limited,
Dartford, Kent.
Telephone: Dartford 27222.**

HT Hall-Thermotank International Limited

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GJ

## *Who are we?*

We are a nine-partner West End practice; and pay ABOVE-AVERAGE SALARIES; because we insist on the HIGHEST STANDARDS.

*For career advancement, contact the Staff Partner,*
GOODMAN JONES & CO.
61 Portland Place, London W1N 3AJ
Tel: 01-580 0083

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## ABLE QUALIFIED ASSISTANT

Required by two-partner firm of Chartered Accountants near Chancery Lane underground. Good variety of medium-sized work available.

Salary £6,000-£7,000.
*Please reply to Box A.6463, Financial Times, 10 Cannon Street, EC4P 4BY*

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## BARCLAYS

**EXECUTIVE APPOINTMENTS**

We have a number of U.K. and Overseas opportunities for newly qualified Accountants.

*For an immediate and confidential appointment contact us at:—*
28a Devonshire Street, W1.
Telephone 01-935 3815

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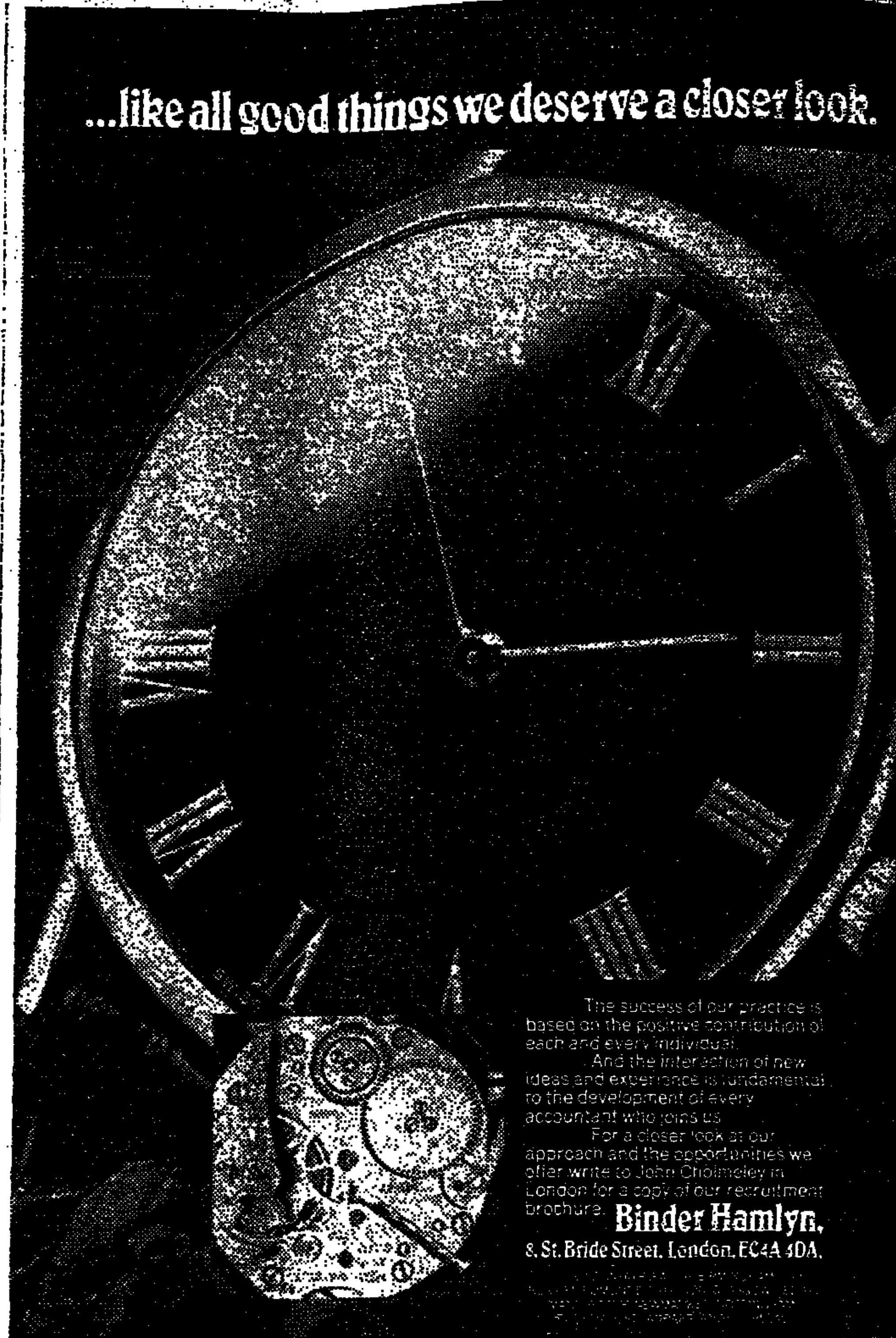


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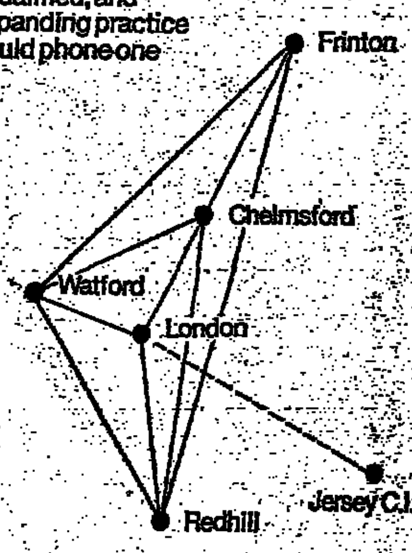
## Working with us would work with you

If you have passed your PEII or have recently qualified, and because our 17 partners need help with our expanding practice and wide variety of responsibilities — you should phone one of the partners listed below.

| | |
|---|---|
| London 01 588 3504 | Paul James, Tom Griffin |
| Chelmsford 54402 | Peter Lodge, Harold Ansell |
| Redhill 65451 | George Martin, Jeff Hollis |
| Watford 48134 | Fred Parslow, Terry Malone |
| Frinton 2740 | Joe Cawdry |




RL

**RUSSELL LIMEBEER**
*Chartered Accountants,*
2 Broad Street Place, Finsbury Circus, London EC2M 7EP.

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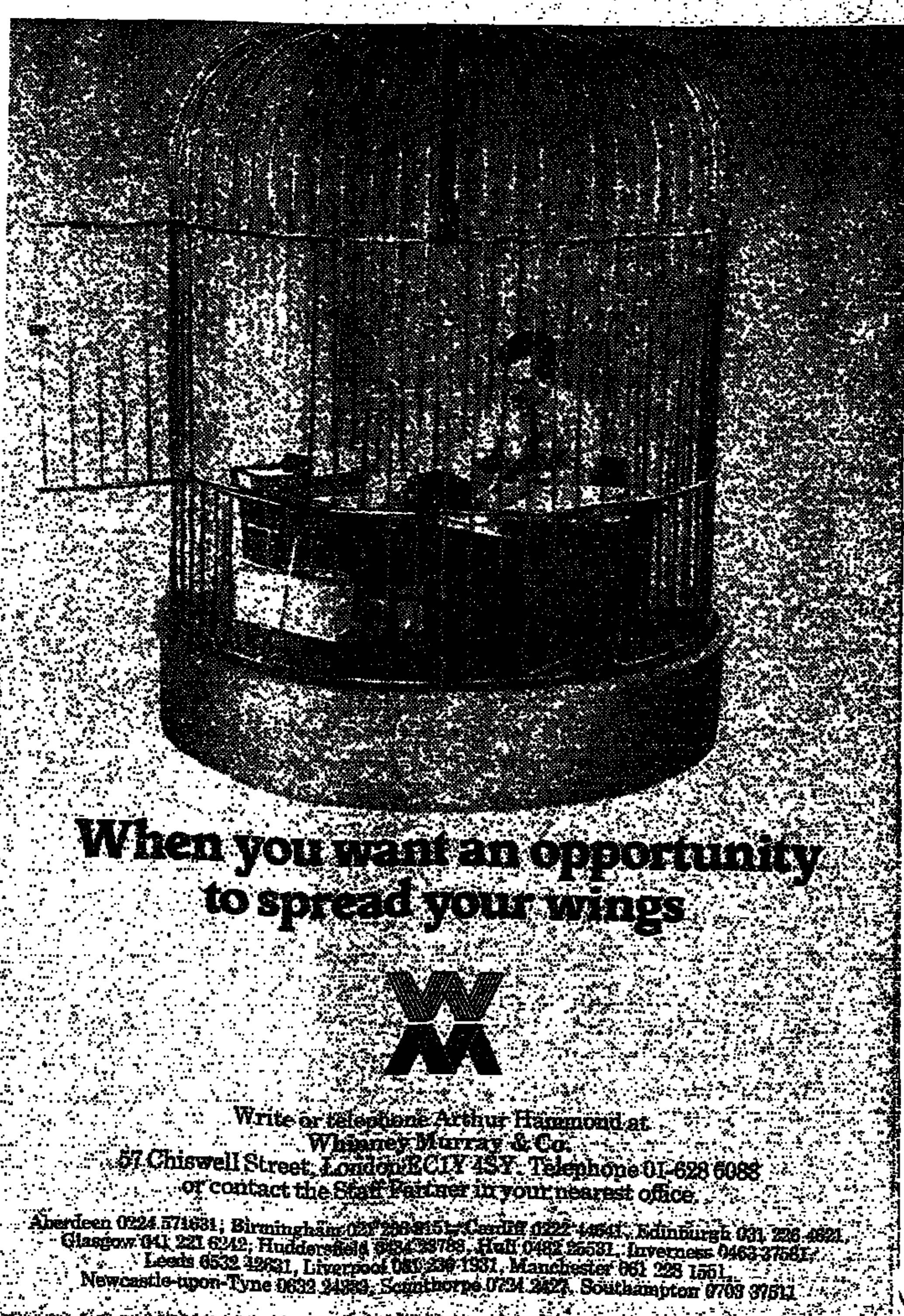

NEWLY QUALIFIED

# ACCOUNTANCY APPOINTMENTS

NEWLY QUALIFIED

# NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

## PROFESSION—1

**EUROPE** to £11,000

Major international firms urgently require new CA's for their offices in MILAN, HAMBURG, ROME, HAGUE and BRUSSELLS.

## PROFESSION—2

**UK (Provinces)** to £6,000

National, international and sizeable provincial practices require seniors in SCOTLAND, WEST COUNTRY, ANGLIA, N. WEST, MIDLANDS, WALES AND N. EAST.

## PROFESSION—3

**COMPUTERS/TAX/INVESTIGATION**

Large internationals offer first-class training and experience in all specialist disciplines, together with outstanding career prospects. *For details of all professional opportunities contact R. N. Griffiths.*

## 'BLUE CHIP' GROUP H.O. ACCOUNTING

**London** £7,250

Ambitious young accountants with this £400m group (part of an international quoted group) will use sophisticated reporting systems in the preparation and interpretation of management information. Occasional UK travel is involved and the career prospects are excellent. Contact Miss M. Williams.

## 'BLUE CHIP' AUDIT QUALIFIED/FINALIST

**London SW1** to £6,000 + Car free lunches + benefits

This £1,500m quoted group has H.O. vacancies for an internal auditor. There will be some overseas work and the style is one of appraisal —not 'ticking'. It is company policy to promote from within and the career prospects really are good. Contact I. T. Williamson.

*Reginald Welsh & Partners Limited.*
*Accountancy & Executive Recruitment Consultants*
*123/4 Newgate Street, London EC1A 7AA Tel. 01-600 8387*

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## *newly qualified accountants*

Three years hard work and dedication have brought their rewards: a good PEII result and a justifiable sense of achievement. But success has brought new problems—you now know enough about accountancy to realise how much more there is to learn, how many different paths there are to follow.

So where do you go from here?

As a first step, consider a move to Robson Rhodes. We are a medium-sized firm and, as such, can offer the ambitious young accountant a rich variety of client involvement but in addition the opportunity to participate in a professional development programme which offers scope for specialist experience, external secondment and overseas employment, fully supported by our excellent in-house training programmes and technical publications.

Above all, we will take a genuine interest in the development of your career and will help you to select a path best suited to your personality, talents and ambitions.

If you would like to know more about us, write to the Staff Partner at 186 City Road, London EC1V 2NU with details of your career to date.

*Robson Rhodes*

Offices in London, the Midlands and West Yorkshire and - as Dunwoody, Robson, McGladrey and Pullen - in most of the world's major trading centres.

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## AUDITORS
## TO £6,000

Want variety and quick promotion? Can you communicate at all levels? Do you have an accounts background and want to join an expanding firm of Chartered Accountants working from a base in the West End. Don't hesitate, make that decisive phone call now! Ring Roy Jessep on 01-828 8055.

**Churchill Personnel Consultants**

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## NEWLY QUALIFIED ACCOUNTANT

An established timber company has an exciting opportunity for someone interested in a permanent position. Excellent salary, pension, BUPA and possibility of directorship in near future. Write, stating qualifications, in first instance, to:

*Box A.6483, Financial Times, 10, Cannon Street, EC4P 4BY.*

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## Guardian Royal Exchange Assurance

# Qualified Accountants

**Interested in a progressive career appointment with a Major International Assurance Group?**

Developments within the Organisation have created further vacancies for Qualified Accountants in the Group's Finance Division.

Appointment would be initially to the Internal Audit Department which would provide a comprehensive introduction to the Group's accounting systems. Whilst on audit, the appointment would be London based with some travel, for which suitable allowances would be paid. After approximately 2 years a transfer to other accounting departments, which are mainly established in Ipswich, is likely.

The need is for Qualified Accountants up to age 35 with initiative and the qualities of leadership who would be required to manage teams conducting internal audits in the Group's offices at various locations in the British Isles. We would be prepared to consider recently qualified accountants seeking their first post-qualification appointment.

The commencing salary would be around £6,500 per annum, dependent on age, qualifications and experience, plus the travel expenses mentioned above. There are excellent conditions of service and other generous staff benefits.

Applications are invited from candidates of sound accounting and auditing experience, with leading firms of practicing Accountants, to whom we can offer a satisfying career opportunity.

Applications in writing with full details to:
Mr. E. A. Noyce, Recruitment Officer,
Guardian Royal Exchange Assurance,
Royal Exchange, London EC3V 3LS.

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## CHESHIRE
### *CHARTERED ACCOUNTANTS*

require recently qualified chartered accountants (certified if public practice trained) or possibly PE II finalists.

Applicants must be experienced in modern audit techniques as applied to small companies, the preparation of accounts from incomplete records and up-to-date company and business taxation. They must also be capable of supervising the performance of work and of presenting completely documented work to a manager or partner.

The Macclesfield office, where the successful applicants will work, has 50 personnel and working conditions are excellent.

Please write or telephone for a staff application form to:

**JOSOLYNE LAYTON-BENNETT & CO.**
**Silk House, Park Green,**
**Macclesfield, Cheshire SK11 7QW.**
**Tel: Macclesfield 28011**

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## PROFESSIONAL POSITIONS PROFESSIONAL PEOPLE . . .

**c £6,000**
**QUAL AUDIT SNR—EC2**

**c £6,000**
**P.A. TO PTNR.—EC4**
Audit/Tax/Client Contact.

**£ NEG.**
**QUAL ACA—W1**
Audit/Accounts—young expanding firm

Good opportunities for Part Qual. ACA/ACCA & Juniors in Central London areas.

LONDON'S leading C.A.'s keep in touch with us, so it's in your interest to do the same!

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**248 6071**
**FOR IMMEDIATE ATTENTION**
**ACCOUNTANCY ENGAGEMENTS AGY**

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## *Qualified or Not—What Next?*

EITHER WAY career planning and progression is important

We offer a highly personal and confidential service to help you find the right firm for your advancement

PHONE NOW — MRS. BETTY LEES
01-236 0642 or 01-638 3758/9
OR CALL IN
KEYRIGHT PERSONNEL CONSULTANTS
30/31, QUEEN ST., LONDON EC4.

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## Newly Qualified Accountants
# YOUR CHOICE IN LONDON

**GENERAL PRACTICE.** Audits of small, medium and large private and public companies at senior-in-charge level after initial training.
**TAXATION.** Own allocation with mixed personal and corporate cases, supported by internal courses and ATII study facilities.
**INVESTIGATIONS.** Opportunity to specialise in analysis and report writing for acquisitions, mergers, financial reports for banks, viability studies, etc.
**CONSULTANCY.** Opportunity to train for assignments advising clients on organisation, accounting, control and management information systems, computing and decision making.
**COMPUTER AUDIT.** Opportunity for twelve-month secondment to systems review and implementation of newly revised computer control questionnaires on wide range of applications, leading to audit or consultancy.
Please write with career details or telephone David Fowler on 486 5888.

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Stoy Hayward & Co.,
Chartered Accountants,
54 Baker St., London W1M 1DJ

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## AUDITAX ACCOUNTANCY APPOINTMENTS

WE ARE / YOUNG / ENTHUSIASTIC / & COMPETENT

ARE YOU / NEWLY QUALIFIED / POST QUALIFIED / P.E. II

THEN LET'S GET TOGETHER !
01-283 9863
3, LIVERPOOL STREET, EC2.

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## SUCCESS!

Now you are qualified the opportunities available can be confusing. Ensure your continued success with our guidance and expertise.

**Accountancy Task Force Ltd.**
21 Copthall Avenue,
London EC2R 7BN.
Tel: 01-628 7931

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## YOUNG ACCOUNTS PROFESSIONALS

**To £5,700 + Benefits**

Prestigious firms of international chartered accountants offers a very bright future to young newly qualified A.C.A.s with good academic and experience records. This company is large enough to put you where you want to be and also offer free insurance, four weeks leave, excellent recreational facilities and a very good pension scheme. I suggest you call James De Sun now on 928 8055

**Churchill Personnel Consultants**

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# Get the right partners

For a successful career in accountancy having the right rapport with your firm's partners is essential.

Dearden Farrow partners have the experience to guide and instruct; a valuable advantage to be considered by both students and qualified staff. We also have a planned training programme with progressive pre- and post-qualification experience.

Prospective staff considering a move in our direction should get in touch with George Bunney, our Staff Partner.

Dearden Farrow

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## ALFRED TOOKE & COMPANY

We are an expanding Mayfair firm of six partners and excellent offices. Our clientele is varied and requires a high standard of work. We need young people capable of accepting responsibility who will expect to be well rewarded. The prospects are unlimited.

*Applications to:—*

The Staff Partner,
ALFRED TOOKE AND CO.,
8, Upper Grosvenor Street, London W.1.
or 01-493 3621

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# GENERAL APPOINTMENTS

# DIRECTOR OF PUBLIC RELATIONS

TI operates its extensive and diversified business worldwide from an established position in the free enterprise sector of the UK's mixed economy. Within the broad field of metals and engineering, the Group employs some 80,000 people and manufactures and supplies a wide range of products to industry and direct to the consumer market. It aims to maintain its reputation as a decentralised organisation strong in financial and technical resources, responsible in its employment policies and mindful of its obligations to the community.

TI are seeking a man or woman to develop and direct the public relations policy of the Group. Based in London, the person appointed will report to the Deputy Chairman who is also a Managing Director of the Group and will have close contact with the Chairman and the other Group Managing Director. He/she will head a small professional team and will support Divisional Chief Executives in promoting their marketing plans as well as the Personnel function in employee communication.

Any applicant for the position must be convinced of the efficacy and the importance of the free enterprise system.

Likely candidates will have already attained success in their chosen careers and the degree of maturity required indicates a person aged between 40 and 50. PR experience in a large industrial organisation is desirable.

Agreement on an attractive compensation package will offer no problem to the right person.

*Please send your written applications in strict confidence, quoting reference FT/PR to:*

**The Deputy Chairman, Tube Investments Limited, Bridgewater House, Cleveland Row, St. James's, London SW1A 1DG**

TI

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# Technical Directorate

**The Institute of Chartered Accountants—London**

The Technical Directorate of the Institute of Chartered Accountants in England and Wales wishes to make several important appointments arising from promotion and expansion. Applicants (male or female) must be qualified accountants and preferably graduates. Experience in a major professional firm would be an advantage, but breadth of experience and outlook are equally important. The Directorate employs about 20 qualified staff who are in regular contact with leading members of the profession and has an enviable international reputation for its contribution to the advancement of accounting and auditing. The roles demand sound technical knowledge, clarity of thought and presentation and the ability to work to strict deadlines. Success in this environment will therefore provide scope for career development, either in the Institute, public practice or academic life.

## Committee Secretary around £12,000

The successful candidate will head a small qualified team servicing the Parliamentary and Law Committee which, in conjunction with the other major accounting bodies, represents the profession's viewpoint on technical matters to Government and other organisations, and seeks to ensure that relevant legislation and regulations are useful and reasonable. Ability to manage people and projects is essential. Applicants should be in their early to mid-30s. Ref: 476/FT

## Under Secretaries to £10,000

Several vacancies exist for persons, probably in their late 20's, to work as members of small support teams servicing the Auditing Practices Committee, Parliamentary and Law Committee and Technical Advisory Committee. Ref: 477, FT

Apply to R. P. CARPENTER, F.C.A., F.C.M.A., A.C.I.S., 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel: 01-636 0761.

*Phillips & Carpenter*
Selection Consultants

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# key executive director

A leading UK manufacturing company with a turnover of approximately £15m, and located on the SE coast, is to make a Board appointment.

Reporting to the Executive Chairman, the individual appointed will participate fully in the decision-taking of the Board. The major responsibility will be the planning and monitoring of the Company's activities, with particular reference to the quantitative impact of the decisions taken and the initiation and operation of the relevant control procedures.

High professional qualifications are expected, although the precise discipline is not a major consideration. Suitable candidates might have a legal, secretarial, financial, business or economic background.

The successful candidate is unlikely to be under 40 years of age. An attractive five-figure salary with a Company car and pension is offered. Applications including a typed CV should be addressed to: Mr. I. D. John Interlink Advertising Limited, 63/66 St. Martins Lane, London WC2N 4JX.

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# UK Sales Manager

**ENGINEERING CAPITAL EQUIPMENT**

**to £14,000 + car**

Our Client a well established major engineering company with wide interests in the energy industry. It markets products and services which may amount to several million pounds for a single installation. Mainly concerned with equipment required for power generation and heat recovery, the technology available provides a wide range of products and market opportunities.

The position is that of Sales Manager, who will lead and motivate a team of Sales Engineers organised on a product group basis, while being responsible for the negotiations with major customers in the Public and Private sectors.

Candidates must have fundamental engineering knowledge and background, plus sales management experience, in a related industry involving heavy capital equipment. A keen commercial sense is essential while appreciation of financing large contracts is desirable.

Location is London and relocation expenses will be available, if required. Fringe benefits, including a car, are unusually generous. Prospects excellent.

Applicants, male or female, who should be Chartered Engineers, are asked to write fully, and in confidence, quoting Ref: 855, to Charles Keel B.Sc(Eng)., C.Eng., M.I.Chem.E., Barnett Keel Ltd., Providence House, River Street, Windsor, Berks SL4 1QT. Tel: Windsor 57011. Telex: 849323.

Barnett Keel
MANAGEMENT SEARCH

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## MERCHANT BANKING

**£7,000-£10,000**

Our client, a member of the Accepting House Committee, seeks Graduate Chartered Accountants and Commercial Lawyers with 1-2 years post-graduate experience in the profession. Knowledge of at least one European language would be an advantage. Only first-rate applicants with a good examination record will be considered.

*Please write: Beresford Associates Ltd., Box A.6462, Financial Times, 10, Cannon Street, EC4P 4BY.*

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## EXCHANGE CONTROLLER

INTERNATIONAL BANK REQUIRES B OF E RECOGNISED PERSON.
Aged 30 + to be head of Banking Area.
Doc/Credits experience.
Salary negotiable.
Q.S. CONSULTANTS
828 8428

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# Business Development Executive

**c. £5,500 + Car**

Griffin Factors—a subsidiary of Midland Bank—is one of the country's leading factoring houses, providing services to commerce and industry.

Continued growth has created the need for additional members of the Development Team, whose job it is to promote and sell the Company's financial services to expanding industrial and commercial concerns.

After comprehensive training at Griffin's headquarters in Worthing, the Executive will be working largely on his/her own initiative. He/She will be responsible for generating new business within a given area and this will require the ability to grasp the salient details of differing lines of business and negotiate successfully at top level.

Experience in factoring is not necessary but the successful candidate will already have an impressive record in sales and a good educational background with preferably a degree or some banking or financial qualification.

The career offered is a challenging one with excellent prospects for promotion on proven success. As a member of the Midland Bank Group the Company offers first class conditions of service. Assistance with re-location will be given.

Applicants aged between 25 and 32 are invited to write, giving details of age and career to date to:—

**Mrs. J. Marshall, Personnel Manager,**
**GRIFFIN FACTORS LIMITED,**
**21 Farncombe Road, Worthing, Sussex.**
**Tel: Worthing (STD 0903) 205181, Extn. 281**

Griffin Factors Limited
A SUBSIDIARY OF MIDLAND BANK LIMITED

BBC RADIO NEWS

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# FINANCIAL JOURNALIST

Energy and expertise are what we want. Someone who can turn financial jargon quickly into crisp broadcasting. This financial expert will range widely—in the commodity, tanker or money markets, and will have an eye for the next takeover.

The job is in our Financial Unit broadcasting to Britain and the world, mainly through Financial Report for The Six O'Clock News on Radio 4 and a nightly wrap-up for the BBC's World Service. The Unit provides other reports and advice for our national newsrooms; in television as well as radio; for those in the Regions and for local radio.

Salary about £6,400 p.a. Based in London.

**Please telephone or write immediately, enclosing addressed envelope, for application form quoting reference 78.G.1613. FT to Appointments Department, BBC, London, W1A 1AA. Tel: 01-580 4468 Ext. 4619.**

BBC

# Credit Officer

We are currently seeking to recruit for our City Office an experienced Credit Officer to join a team of four providing support to the Assistant Managers in the completion of detailed credit analysis and reviews.

The selected candidate will have acquired a background in general banking practices, complemented by a sound understanding of lending principles and some eighteen months to two years' practical experience of corporate credit analysis, with risk emphasis in Europe and/or Scandinavia. Self-confidence and the ability to communicate effectively are considered important additional attributes.

Salary is negotiable according to experience c.£6,450 and will be suitably supported by the usual banking benefits.

*Please apply to Peter Conroy, A.I.B., Personnel Officer, on 01-283 0011.*

**THE TORONTO-DOMINION BANK**
62 Cornhill, London, EC3V 3PL.

## Stockbrokers' Personal Assistant

required to work with small group of Associated Members within medium-sized London Member firm. Some experience of handling a general range of mainly private client business necessary. Good prospects for the right person. Salary by negotiation.

Please write in confidence to Box A.6475, Financial Times, 10, Cannon Street, EC4P 4BY.

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equired for the electrical division of a medium-sized ublic company to be responsible to the managing lirector for the expansion and development of the narketing and sales function. Experience in depth of these functions at executive level is essential. The post offers a good level of remuneration and benefits, ogether with adequate scope for advancement.

*Apply in confidence with full curriculum vitae to:*
Managing Director, Box A6468
Financial Times, 10 Cannon Street, EC4P 4BY

## Assistant U.K. Representative
**FOR FRENCH BANK**

We seek an assistant to the head of our UK Office in the City. The successful candidate will have current UK banking experience and be in the late twenties. A working knowledge of French would be useful.

*Replies in confidence to:*
Box A6477, Financial Times, 10 Cannon Street, EC4P 4BY

# INVESTMENT MANAGER
## LEADING LIFE ASSURANCE COMPANY

**From £10,000** **Home Counties**

Our client is the UK arm of one of the world's largest and most prestigious international Life Assurance groups.

The company continues to develop both its Life and Pensions business and also its unit-linked Life Assurance products, offering savers and investors a wide choice of professionally managed funds.

An experienced Investment Manager is required to play the leading role in formulating and implementing the UK investment strategy.

This is a key position in the profitable development of the Company. It demands flair, tempered by conservatism, and highly developed personal and intellectual qualities. Experience of matching investment and actuarial objectives would be a decided advantage. The successful candidate, male or female, should already hold a well established position in the investment community.

Your name will not be released until you have been fully briefed and have given your consent. Please send a summary covering employment history, achievements, present remuneration and age, stating how you meet these requirements to:

**R. H. COOKE**
**Business Development Consultants (International) Limited**
**26 Dorset Street**
**London W1M 3FU**

BDC

# ONE YEAR TO YOUR CREDIT IN AN AMERICAN BANK?

* **Credit Analyst** needed by a major American Bank to join its young department in the city.
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* **Up to £6,000** could be your salary if you really are a top calibre, high flying young analyst.
* **Phone or write** for an application form to Mrs. A. Jones, Cripps, Sears and Associates, Personnel Consultants, Burne House, 88/89 High Holborn, London, WC1V 6LH. Telephone 01-404 5701.

**Cripps, Sears**

# MILITARY/COMMERCIAL VEHICLE AND OMNIBUS BODY BUILDING

## *Senior Executive*

*required to take over progressively full responsibility for the design, development, manufacture, marketing and cost of all products in the Division, and to progress to Divisional Managing Director.*

***Write to the Managing Director***
***Marshall of Cambridge (Engineering) Limited***
***Airport Works, Newmarket Road,***
***CAMBRIDGE CB5 8RX***

# Financial Controller
## London c.£10,000

Part of a leading international corporation involved in the energy industry, Vetco Overseas Construction Services Group provides assurance of quality of contract specifications for the petrochemical industry worldwide. Continuing growth has now created an opportunity for a professionally qualified Chartered Accountant or equivalent with at least five years industrial experience.

Initial responsibilities will be to carry out an internal audit of the Group's operations and a review of the current project costing system, implementing this across the Group. The person appointed will also establish a complete internal control procedure together with a management information system and ensure compliance with Corporate/Group policies. On a continuing basis, the job involves full responsibility for budget and financial analysis, including internal/external reporting, and assisting in the preparation of bids and future finance planning.

Although location will be at our Group Headquarters in Hayes, Middlesex, some overseas travel will be involved – chiefly in the Middle East.

Salary is negotiable around £10,000 with benefits appropriate to this level of appointment. Career prospects within the Group – both at Headquarters and at our overseas locations – are very good.

Please write with brief career details to A. McKinnon, Group Personnel Manager, Vetco Overseas Limited, Construction Services Group, Ventura House, 72–74 Station Road, Hayes, Middlesex UB3 4DP. Tel: 01-573 7733.

VETCO

# INTERNATIONAL BANKING

**INVESTMENT MANAGEMENT** — to £10,000
International Merchant bank seeks a No. 2 for a very active Dept., with responsibility for the management of Funds invested in international capital markets. This demands comprehensive experience of these markets (especially Fixed Interest), together with substantial research capability.

**ACCOUNTS MANAGER** — c. £9,000
Fundamental responsibility is the management and motivation of an expanding Accounts Dept., calling for a mature (c. 35), enthusiastic Accountant qualified more importantly by experience—ideally in banking—than academically.

**CREDIT OFFICER** — c. £8,000
Major Merchant bank seeks a young banker whose Credit training and personal qualities combine to suggest the potential to develop into a management role in the very short term.

**EUROCURRENCY LOANS ADMIN.** — to £5,000
The essential requirement common to all 4 of our clients is sound experience of Euro. loans administration; additional elements sought are some knowledge of balance-sheet analysis and/or basic ability in German.

**For further information on these particular opportunities—or to discuss your own career objectives in more general terms, in confidence of course—please telephone either John Chiverton, A.I.B., or Trevor Williams.**

JOHN CHIVERTON ASSOCIATES LTD.
31, Southampton Row, London, W.C.1. 01-242-5841

NPA

# F/X Dealers

**As the acknowledged authority on the recruitment of senior foreign exchange personnel, our current portfolio includes these urgent assignments:**

**Chief Dealer – Bahrain** — £Neg – tax free
This major international bank requires a senior F/X dealer in his early/mid 30's to establish and develop its O.B.U. dealing operations.

**F/X Manager – N. York** — $Neg
This is a challenging position calling for a senior dealer, probably mid 30's, to assume responsibility for the development of the foreign exchange activity of an expanding european bank.

**Chief Dealer – Cairo** — $Neg
A very substantial Middle East based consortium bank seeks a chief dealer, late 20's/early 30's, with a minimum of 5 years' active dealing experience in both f/x and deposits.

**F/X Dealer** — c£8,500
A senior exchange dealer, aged mid/late 20's, is required to join the highly professional dealing room of this prime international bank.

**Deposit Dealer** — c£7,000
A prominent and expanding City-based consortium bank currently seeks a positive young dealer, ideally 24-26, with a minimum of 2 years' experience of active currency deposit dealing.

**Contact Norman Philpot in confidence on 01-248 3812**

**NPA Recruitment Services Ltd**
60 Cheapside London EC2 Telephone 01-248 3812 3 4 5

# International Auditor

**$16,000**

American Express require an Auditor to join a professional internal audit department.

The position requires experience in the internal audit department of a large commercial organisation, or in a professional practice on the audit of the accounts of multi-national clients. Candidates should be Certified or Chartered Accountants, or Certified Internal Auditors (by examination), preferably with a University degree.

The Company offers competitive salaries and first class fringe benefits. The position is based in the U.K. but applicants must be prepared to spend up to 80% of their time on audits throughout Europe, Middle East and Africa.

Applicants, ideally aged between 25 and 35, should write giving details of career to date to:-

**Mr P. Langston, Director – Central Personnel Services, American Express I.B.C., Amex House, Edward Street, Brighton, BN2 2LP.**

AMERICAN EXPRESS

# GENERAL MANAGER
## AUCKLAND REGIONAL AUTHORITY

Due to retirement, the above position will be available early in 1979.

The successful applicant will be directly responsible to the Authority for general overall direction and administration of New Zealand's largest local body and the position calls for the outlook of a business person with executive experience, ability, tact and capacity to handle a large staff.

Salary will be up to a present maximum of $NZ 28,310 per annum (currently under review), and the commencing salary will be fixed at a figure commensurate with the experience and ability of the successful applicant.

Conditions of Appointment may be obtained from the N.Z. High Commissioner, New Zealand House, Haymarket, London S.W.1Y 4TQ, England.

Applications endorsed "Position of General Manager" will be received at the Chairman's Office

AUCKLAND REGIONAL AUTHORITY
PRIVATE BAG
AUCKLAND 1
NEW ZEALAND

Up to 16 October 1978.

# Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

*The following are among our more urgent current assignments:—*

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| **MARKETING OFFICER (International Corporate Lending)** | to £12,000 |
| **CORPORATE FINANCE Cash Management Advisors** | £7,000/£10,000 |
| **CREDIT ANALYST** | to £5,500 |
| **LOAN ADMINISTRATION** | to £5,000 |
| **EUROBOND SALES** | £8,000+ |
| **EUROBOND TRADERS** | £8,000+ |
| **EUROBOND SETTLEMENTS (junior and senior)** | £5,000–£9,000 |
| **AUDITOR (50% travel – London based)** | to £8,000 |
| **CHIEF ACCOUNTANT (A.C.A.)** | to £8,000 |
| **ACCOUNTS (international banking)** | £4,000/£5,000 |
| **FX INSTRUCTIONS/SETTLEMENTS** | c. £3,500 |
| **COMPUTER PROGRAMMER (RPG 2)** | to £6,500 |

*For further details, please contact:*
*DAVID GROVE or ROY WEBB*

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

# CJ RECRUITMENT ADVERTISING

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
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**Opportunity to use creative financial skills—scope to reach Senior Management and develop career in a fast growing Group**

## CJRA FINANCIAL RISK ANALYSIS

**LONDON** **£8,000-£10,000**

**A MAJOR INTERNATIONAL LLOYD'S INSURANCE BROKER**

Our Client seeks a creative, clear-thinking financially orientated young executive to further the development of its Financial/Risk Analysis Services. Therefore, applications are invited from candidates with an economics/maths degree, MBA or possibly an accountancy qualification, ideally 25-35, with at least 3-5 years' experience in financial analysis/corporate planning in an industrial/commercial environment. The responsibilities will include conducting special studies into the evaluation of the risk financing needs of large Corporate clients; identifying, researching and promoting opportunities for new financial/funding schemes; assisting the practical application of financial analysis techniques to insure/risk problems; training and developing non-financial colleagues. Candidates should be able to prove success in innovation, be highly numerate and exhibit strong skills in personal and written presentation. Initial remuneration £8,000-£10,000, contributory pension, free Life Assurance, assistance with removal expenses if necessary. Applications in strict confidence under reference FRA10588/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

**Opportunity to gain a wide insight into the Company, for those who have the potential to advance to a more senior appointment within the department or elsewhere in the Group**

## CJRA SENIOR ECONOMIC ANALYST OIL INDUSTRY

**LONDON** **£7,500-£9,000**

**A MAJOR INTERNATIONAL OIL COMPANY**

We invite applications from graduates or equivalent, aged 27-32, who have at least 3 years' successful experience in the oil industry in an economic analytical capacity. The selected candidate, who will report to the Departmental Manager, will assist in co-ordinating the Company's short and long term plans, evaluating investments for capital projects, assisting in reviewing prices for fuels and controlling other ad hoc projects and investigations. Essential qualities must include the ability to liaise and communicate at all levels, plus the enthusiasm and drive required to work under pressure. Initial salary negotiable £7,500-£9,000, contributory pension, free life assurance, assistance with removal expenses if necessary. Applications in strict confidence under reference SEA 10602/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

## CJRA CREDIT OFFICER

**CITY** **£6,000 — £8,000**

**INTERNATIONAL CONSORTIUM BANK**

We invite applications from candidates, male or female, aged 23-27, who have acquired between 2 and 4 years' experience in Credit work and documentation associated with Eurocurrency credits. The successful candidate will be responsible for regular credit review on existing medium-term loans, as well as new proposed facilities, etc. A personable manner, plus a flexible yet commercial outlook sufficient to warrant further promotion is important. Initial salary negotiable £6,000-£8,000 house-loan facility, personal loan facility, non-contributory pension, free life assurance, free family BUPA. Applications in strict confidence under reference CO10563/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

**CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH**

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# Management Accountant

**London** **up to £8,000**

Shell are looking for a young graduate accountant to join their U.K. operations as a member of a small team responsible for project evaluations, appraisal of results and management reporting. This work covers the whole range of activities in the U.K. and North Sea and will provide a challenging entry to the oil industry.

Ideally, you should be aged 25-30 with a good degree followed by an accounting qualification. Experience in evaluation, appraisal or management reporting work since qualifying, while an advantage, is not essential providing you have the sort of personality which can project itself successfully in a commercial environment.

We offer a salary of up to £8,000, according to age and experience, which includes a London Allowance of £585 p.a.; together with other benefits. Your subsequent career development could lead to a series of positions in financial management each entailing progressively greater responsibilities. Please write, with a full resume of your career, or telephone for an application form to:
Shell U.K. Limited, Recruitment Division (FT) PNEL/21, Shell Centre, London SE1 7NA. Telephone: 01-934 4626.

Shell

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# Finance Specialist to Monitor and Influence European Subsidiaries

**c. £9,000 + car**

The company, one of our largest and best-known consumer durable operations, has an established presence on the continent. It gives its European subsidiaries considerable autonomy, but obviously their performance needs scrutiny and control from the parent's Birmingham-based headquarters. European accounting procedures, financial reports and financial performance are monitored by a Regional Finance Manager who serves as the essential link between parent and subsidiary line managements. To fill this job, we are looking for a first class accountant, an astute business analyst, a persuasive and thorough communicator and a convinced pan-European. No, not four different people! We realise there are not many around who measure up to this specification, but each factor is essential. The right candidate will be mature enough to be credible in Europe but young enough to take advantage of the considerable career prospects the parent company can offer. Please write with full career details to Malcolm Green.

*Applications, which may be from male or female candidates, will be treated in complete confidence and should quote reference 8101/MCG.*

BROOK STREET EXECUTIVE RESOURCES LIMITED

47 Davies Street, London W1Y 2LN. Telephone 01-499 7582

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## ASSISTANT VICE-PRESIDENTS FOR RIYADH

The General Manager of a recently established bank in Saudi Arabia is interested to interview experienced bankers for marketing and business development on a two-year contract. Salary will be negotiable and accommodation will be provided. All travel and consular arrangements will be made by the bank.

**L.J.C. BANKING APPOINTMENTS** **01-283 9958**

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# Financial & Management Accounting

London

Two senior financial vacancies have arisen in the Head Office of a major U.K. construction services group with extensive overseas interests. Each position reports to the Group Financial Controller.

## Group Financial Accountant

c. £9,000 + car

The successful candidate will supervise the production of the holding company's financial accounts, consolidate the statutory accounts and periodic financial control statements, and generally control central financial accounting (30 plus staff). The basic systems are largely computerised. There will be close involvement in systems developments, timetable improvements, liaison with auditors, corporate tax matters and staff training. Candidates will be over 30, almost certainly chartered accountants, with relevant experience obtained either in the profession or in a large commercial environment. *Ref: 21148/FT.*

## Group Management Accountant

c. £7,500 + car

The two main routine functions will be the presentation of accounting information to enable management to determine profitability of the group as a whole and of individual divisions and operations, and the financial control of some trading units that do not presently fall into the main divisions. In addition, representing perhaps half the brief on a time basis, the successful candidate will work on special assignments such as revue of costing systems, improvement to management information etc. Candidates will be in their twenties, ACMA with the ability to communicate effectively at all levels. *Ref: 21149/FT.*

In this instance all interviews will be conducted by the client. Applicants should send comprehensive career details, *quoting the reference number on the envelope.* Replies, which should not refer to previous correspondence with Hoggett Bowers, will be forwarded direct, unopened and in confidence to the client unless addressed to Miss V. Worthy listing companies to which they may not be sent.

Male or female candidates should apply immediately to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

**Hoggett Bowers**
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

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# Company Secretary

Hertfordshire, c. £10,000 + car

This senior position in a newly created sub-group of a public company affords an exceptional opportunity for a legally qualified and relevantly experienced candidate to join a growth organisation as a vital member of its senior management. In addition to basic statutory duties there will be responsibility for all commercial legal matters including insurances, debt collection, conveyancing, contracts, pensions, legislation generally, employment legislation in particular, and property administration. Candidates will be 30 plus, have a relevant degree and ideally be qualified professionally. The fringe benefits are excellent.

*J.A.T. Bowers, Ref: 21146/FT.*

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

**Hoggett Bowers**
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

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# ACA+Degree+MBA? Aged 28-32? Reading, up to 15K+car

Our client, a finance company only two years old, has a turnover of £20 million which is expected to double next year; it operates its own ICL 2903. Profitability and development now dictate the need for added board level management material. The candidate should be able to enjoy working with a young compact team, and contribute towards further dynamic growth. The role requires business acumen, man-management and problem-solving skills, creativity, flexibility and a sense of humour. The rewards will be equal to the very real challenge.

*Mrs. Indira Brown, Ref: 19126/FT.*

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

**Hoggett Bowers**
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

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**BANKING APPOINTMENTS.** FX Instructions Clerk c. £4,000/£4,500 + perks. Mid 20s. Reqd. by leading merchant bankers. Position has excellent prospects and is a relatively senior level. Ring 283 6022 for appointment. VPN Employment.

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## BLOCK/SPECIAL HANDLING ARBITRAGE COORDINATOR

The London office of a leading NYSE member firm requires a senior person who is thoroughly familiar with the dealings on the New York and regional stock exchanges to co-ordinate block trading. Knowledge of arbitrage and European trading practices essential.

The successful candidate must be a Registered Representative — NYSE with a minimum of seven years practical experience in a North American environment. A university background with emphasis on economics would be advantageous.

Salary is circa £14,000 per annum with usual fringe benefits. If you feel you can handle this, please write, in strictest confidence, enclosing curriculum vitae to Box A6478, Financial Times, 10 Cannon Street, EC4P 4BY.

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## JUNIOR DEALER

A small international trading company seeks a Junior Dealer for their City Office. Ideal applicant will have a basic knowledge of the securities market.

A knowledge of settlement procedure would also be an advantage. Salary £4,000 to £5,000 per annum plus bonus, according to age and experience.

Applications in writing, giving full details, in confidence, to:

Box A6476, Financial Times
10 Cannon Street, EC4P 4BY

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## A BRANCH OF A MAJOR PUBLIC COMPANY

wish to interview at Director and Senior Executive level to fill two vacancies that have become available for businessmen with a successful track record. All successful members of our team enjoy earnings within a five-figure bracket. Write, enclosing c.v., to Box A.6480, Financial Times, 10, Cannon Street, EC4P 4BY. (These opportunities are open to both men and women.)

---

## INTERNAL AUDITOR

An International Bank requires a mature banker who has a comprehensive knowledge of all aspects of banking and at least three years' experience of internal auditing. Overseas service with an international bank would be an asset. Age: over 40. Salary: up to £9,500 plus L/V.

Also international auditor required, aged around 25 with A.I.B. or university degree and four or five years' banking experience. Must be willing to undertake a great deal of overseas travel.

### Confirming Executive

Required by medium-sized city financial institution. The successful candidate will be fully conversant with documentary credits, bills for collection, ECGD, and will possibly have worked in an export finance house. Knowledge of Nigerian markets would be an asset.
Age: 25-55. Salary: around £6,500.

### Foreign Exchange

Two openings have occurred with well known International banks for young people with experience of foreign exchange instructions, settlements, reconciliations or positions. The ideal applicants will be aged 22-28. Salary up to £4,500.

These positions are open to male or female applicants

**BSB Banking Appointments**

*131-133 Cannon Street, London EC4N 5AX Telephone 01-623 7317 & 01-623 9161*

Recruitment Consultants.

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# Internal Auditor-Europe

*London base Age c25 c£10,000+car*

A leading US Corporation seeks a young internal auditor who is fluent in English, French and German. This is a new appointment based in London.

The new man or woman will be required to spend up to five months in the United States before travelling extensively in Europe on internal audit assignments. In addition he or she will be involved in some acquisition and tax work as well as special projects.

This appointment will suit qualified chartered accountants aged 23 to 35. A trilingual knowledge of English, French and German is essential. Those who have audited US subsidiaries in UK and Europe will have an advantage.

The remuneration package is to be based upon a UK salary of around £10,000 and a car will be provided. Candidates will be expected to demonstrate early promotion potential.

Candidates, male or female, should write in confidence for a personal history form quoting reference MCS/5014 to Roland Orr, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse Associates

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Disc drives, tape drives, add-on memories, terminals communications controllers, computer media.
The continued expansion of our markets and product lines requires 3 positions of

# Program Manager

to be filled rapidly in our new London European Headquarters.
Program Managers are responsible for the European Marketing strategy of a defined product line. Included in this responsibility are:

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Candidates should possess a good business skill and a sound knowledge of computer technology.
Please send resumé, current salary and salary requirements to A. Cummings, Director of Industrial Relations,
Memorex Europe Ltd
730 London Road
HOUNSLOW TW3 1PH

MEMOREX

# Legal Auditor

**£15,000 to £20,000 negotiable**

ARC, a member of the Gold Fields Group, has extensive and growing international interests concerned mainly with the supply and distribution of construction materials.

This very senior functional vacancy has been newly created at the Group Head Office in London and requires the maintenance of contacts at the highest levels including, if necessary, direct access to the chairman of the parent company. Its purpose will be to co-ordinate and monitor the business of a number of decentralized operations in order to ensure compliance with Company and statutory requirements in the fields of commercial, financial and employment practice.

The man or woman appointed must have a legal qualification; extensive commercial and administrative experience at high levels, plus the readiness to undertake considerable amounts of travel in the UK and overseas. It is unlikely that those under the age of 40 will have the necessary depth of background that this job requires.

Please apply with full Curriculum Vitae to:

**M. E. Dalmahoy**
**Group Management Development Administrator**
**Amey Roadstone Corporation Limited**
**15, Stanhope Gate, London W1Y 6AB.**

ARC Amey Roadstone

# Corporate Finance
## Merchant Banking

This is a senior position in our Corporate Finance Department and calls for at least four years' experience in corporate finance gained in a merchant bank or major stockbroker.

You should preferably be a graduate, 28-33, with a professional qualification in accountancy or law, or with a business school degree. Initiative is essential, because you will have a high measure of personal autonomy.

The total remuneration package, which includes mortgage assistance, is extremely attractive.

Please apply in writing, with full career details, to:

**Grindlay Brandts**

**Mr. R. J. E. Barker, Manager, Recruitment, 36 Fenchurch Street, London EC3P 3AS.**

# Financial Controller/ Company Secretary

Our client is a medium sized Lloyd's broker currently undergoing a phase of expansion.

The man or woman appointed will have responsibility to the Managing Director for all financial matters and for systems development and general administration. Several years' experience of financial management in insurance broking is essential. Some EDP knowledge will be necessary as a new computer system is envisaged.

Candidates should be chartered accountants and must have the maturity and confidence to assist a highly professional team to develop their business.

The 5 figure salary and benefits package will be attractive to candidates of the highest calibre.

Please telephone (01-629 1844 at any time) or write – in confidence – in the first instance for a personal history form. Mrs. C. Gorst ref. B.1031.

MSL United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.
**International Management Consultants**
Management Selection Limited
17 Stratton Street London W1X 6DB

# European Treasurer

For a US company, turnover in excess of \$60m., marketing highly technical capital equipment throughout the world. It sells to a wide variety of industries and therefore has a strong basis for growth and continuing profitability.

The European Treasurer will assist the European Director of Finance in planning and implementing the company's financial programme covering cash, debt and foreign exchange management as well as tax and customer leasing.

Candidates, ideally in their thirties, must be qualified accountants with several years' directly relevant experience in an international environment, preferably with US companies.

Salary negotiable up to £14,000 plus car. Attractive promotion prospects. Home Counties location.

Please send brief details – in confidence – to David Bennell ref. B.43535.

*This appointment is open to men and women.*

MSL United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.
**International Management Consultants**
Management Selection Limited
17 Stratton Street London W1X 6DB

# Assistant Office Manager
## Stockbroking

Applications are invited for this appointment, created by a promotion, in a well established, progressive City stockbrokers.

The person appointed, male or female, will work closely with the Office Manager and, in addition to personal accounting and technical responsibilities, will deputise for him in all aspects of office management, including the use of Centrefile. A young accountant, seeking to develop a career in stockbroking or an older person with extensive experience seeking a change will find this an appropriate appointment. An attractive starting salary will be negotiated plus bonus and there is an up to date pension/life insurance scheme.

Please send adequate particulars in confidence to Diana M Ashman Personnel Services Division of:-

Spicer and Pegler Management Consultants
*3/4 Bevis Marks*
*London EC3A 7HL*

# Young Financial Controller
## *International Career*

Our client is a successful industrial Group with world wide interests – consolidated sales exceed \$1.5 billion.

They have decided to recruit a talented and commercially minded qualified accountant who has already shown his growth potential.

The initial assignment based in Paris in an internal audit department and requiring considerable mobility within Europe should lead within a few years to a position as controller in Foreign operations.

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| 1978 High | Low | Stock | £ | + or — | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| 105¼ | 101 | Treasury 11½pc '79‡‡ | 101 | +½ | 11.34 | 8.55 |
| 97 | 94½ | Treasury 3pc '79‡‡ | 96 | + | 3.11 | 6.92 |
| 97 | 95¼ | Electric 4½pc '74-79 | 97¼xd | ...... | 4.37 | 7.38 |
| 104 | 99 | Treasury 10½pc '79‡‡ | 100¾ | + | 10.42 | 9.69 |
| 96½ | 94¼ | Electric 3½pc '76-79 | 95¾ | +⅛ | 3.66 | 7.39 |
| 103¼ | 96 | Treasury 9pc 1980‡‡ | 98⅞ | + | 9.10 | 9.87 |
| 102 | 97⅛ | Treasury 8½pc '80‡‡ | 98⅞ | +⅛ | 9.51 | 10.22 |
| 95⅛ | 92 | Treasury 3½pc '77-80 | 93 | +¼ | 3.73 | 7.32 |
| 96½ | 93¼ | Funding 5¼pc '78-80‡‡ | 94¼ | +¼ | 5.57 | 8.88 |
| 110¼ | 103 | Exchequer 13pc 1980‡‡ | 103 | +⅛ | 12.52 | 10.92 |

## BONDS & RAILS—Cont.

| 1978 High | Low | Stock | Price £ | + or — | Div. % Gross | Red. Yield |
|---|---|---|---|---|---|---|
| 55 | 42 | Hung. '24 Ass. | 50 | ...... | 4½ | 5.59 |
| 77 | 65 | Iceland 6½pc '83-88 | 68 | ...... | — | 12.50 |
| 88 | 82½ | Ireland 7½pc '81-83 | 83¼ | ...... | 7½ | 12.65 |
| 91 | 79 | Do 9¾pc '91-96 | 80½xd | ...... | 9¾ | 12.56 |
| 425 | 265 | Japan 4pc '10 Ass. | 400 | —5 | — | — |
| 87 | 68½ | Do 6pc '83-88 | 72 | ...... | 6 | 10.70 |
| 160 | 140 | Peru Ass. 3pc | 148 | ...... | 3 | 2.17 |
| 75p | 75p | S.G.I. 6½pc 1980 | 75p | ...... | 6½ | 8.67 |
| 99c | 94½c | Turin 9pc 1991 | 94½ | ...... | 9 | 9.52 |
| DM91 | DM81 | Turin 6½pc 1984 | DM91 | ...... | 6½ | 8.80 |
| 97 | 94 | Uruguay 3½pc | 97 | ...... | 3½ | 3.60 |

U.S. $ & DM prices exclude inv. $ premium

## AMERICANS

| 1978 High | Low | Stock | £ | + or — | Div. Gross | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 21¾ | 13½ | ASA | 20¼ | —⅞ | 80c | — | 2.0 |
| 60½ | 59 | AMF 5% Conv '87 | 59 | ...... | 5% | — | f5.0 |
| 38⅝ | 22 | Amax $1 | 33½ | —2¼ | $1.75 | — | 2.6 |
| 50⅞ | 21¾ | American Express | 24½ | —1¾ | $1.40 | — | 2.9 |
| 24¼ | 11 | Amer. Medic. Int. | 21 | —⅝ | 30c | — | 0.7 |
| 15⅝ | 969p | Asarco Inc. | 11⅛ | —⅜ | 40c | — | 1.8 |
| 29⅞ | 18¾ | Baker Intnl. Corp. $1 | 23 | —1 | 64c | — | 1.4 |
| 19⅞ | 11⅞ | Barnes Grp. $6⅔ | 17⅛ | —1⅛ | 90c | — | 2.6 |

## CANADIANS

## BANKS AND HIRE PURCHASE

| 1978 High | Low | Stock | Price | + or — | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 100 | 81 | Hill Samuel | 98 | ...... | 4.97 | — | 7.6 | — |
| 600 | 325 | Do. Warrants | 350 | ...... | — | — | — | — |
| 360 | 203 | Hong Shng $2.50 | 312 | ...... | hQ59c | — | 2.2 | — |
| 69 | 52 | Jessel Toynbee | 62 | ...... | h3.32 | — | 8.0 | — |
| 215 | 160 | Joseph (Leo) £1 | 200 | ...... | 8.74 | — | 6.5 | — |
| 52 | 37 | Keyser Ullmann | 50 | ...... | 0.67 | — | 2.0 | — |
| 74 | 56 | King & Shax 20p | 64 | ...... | 3.44 | — | 8.0 | — |
| 114 | 90 | Kleinwort B.L. | 106 | —2 | †4.18 | — | 6.0 | — |
| 297 | 242 | Lloyds £1 | 268 | ...... | †9.23 | 4.8 | 5.1 | 6.1 |

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## FOREIGN BONDS & RAILS

| 1978 High | Low | Stock | Price £ | + or — | Div. % Gross | Red. Yield |
|---|---|---|---|---|---|---|
| 24 | 17 | Antofagasta Rly. | 24 | ...... | — | — |
| 41 | 33 | Do 5pc Pref. | 41 | ...... | — | — |
| 98 | 98 | Chilean Mixed | 98 | ...... | — | £3.10 |
| 415 | 350 | German Yng. 4½pc. | 411 | ...... | 4½ | — |
| 54 | 46 | Greek 7pc Ass. | 52 | ...... | 3½ | 16.90 |
| 51 | 46 | Do 6pc '28 Stab. Ass. | 50 | ...... | 6 | 16.04 |
| 44 | 40 | Do 4pc Mixed Ass. | 42 | ...... | 4 | 15.05 |


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### O.F.S.

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### DIAMOND AND PLATINUM



## MINES—Continued

### CENTRAL AFRICAN

| 1978 High | Low | Stock | Price | + or – | Div. Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 210 | 155 | Falcon Rh 50c | 173xd | +3 | Q60c | ϕ | 21.0 |
| 24 | 15 | Rhod'n Corp. 16½p | 17 | ...... | 0.57 | 7.1 | 5.0 |
| 80 | 52 | Roan Cons. K4 | 70 | ...... | — | — | — |
| 41 | 32 | Wankie Col. Rh 1 | 35 | ...... | †Q7½c | 1.4 | 18.3 |
| 17½ | 10 | Zam.Cpr SBD0.24 | 15½ | ...... | — | — | — |

### AUSTRALIAN

| 1978 High | Low | Stock | Price | + or – | Div. Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 15 | 10 | Acmex 25c | 13 | ...... | — | — | — |
| 140 | 64 | Bougainville 50 Toea | 129 | –4 | †Q8c | 1.4 | 3.9 |
| 131 | 63 | BH South 50c | 129 | –1 | — | — | — |
| 820 | 150 | Central Pacific | 570 | –5 | — | — | — |
| 336 | 148 | Conzinc Riotinto 50c | 316 | –2 | ‡Q10c | 2.2 | ‡ |
| 27 | 9½ | Endeavour 20c | 25 | ...... | — | — | — |
| 72 | 45 | G.M. Kalgoorlie $1 | 57 | –1 | — | — | — |
| 68 | 18 | Haoma Gold N.L. | 55 | –2 | — | — | — |
| 140 | 81 | Hampton Areas 5p | 127 | –1 | t3.55 | 2.0 | 4.2 |
| 40 | 10 | Metals Ex 50c | 33 | –1 | — | — | — |
| 278 | 125 | M.I.M. Hldgs. 50c | 263 | +1 | Q9c | 1.7 | 2.7 |

### TINS

### COPPER

### MISCELLANEOUS

| 1978 High | Low | Stock | Price | + or – | Div. Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 68 | 35 | Barymin | 62 | –4 | — | — | — |
| 17 | 9 | Burma Mines 17½p | 13 | ...... | — | — | — |
| 300 | 215 | Cons. Murch. 10c | 245 | ...... | ‡Q30c | 2.6 | ‡ |
| 465 | 245 | Northgate C$1 | 355 | –5 | — | — | — |
| 258 | 164 | R.T.Z. | 250 | +4 | 9.5 | 2.8 | 5.8 |
| 90 | 30 | Sabina Inds. C$1 | 52 | –2 | — | — | — |
| £12 | 750 | Tara Exptn. $1 | 865 | –10 | — | — | — |
| 74 | 43 | Tehidy Minerals 10p | 74 | ...... | ‡1.35 | ϕ | 2.7 |
| 185 | 120 | Yukon Cons. C$1 | 147 | +2 | Q7c | 2.9 | 2.3 |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ☆ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1978. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¥¥ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 31

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## REGIONAL MARKETS

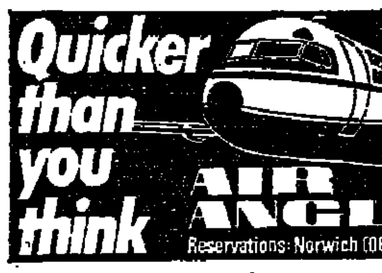
The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

### IRISH

## OPTIONS

### 3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page




FINANCIAL TIMES

Thursday September 21 1978


BINGHAM REPORT PROVOKES UNION REACTION

# Demand for tougher sanctions

BY RICHARD EVANS AND KEVIN DONE

PRESSURE GREW sharply within the Labour Party and the trade union movement yesterday for much tougher sanctions against Rhodesia and, if necessary, South Africa.

There were also signs that Mr. James Callaghan will have no option at today's Cabinet meeting but to institute some form of exhaustive inquiry into sanctions breaking, and the role which the Bingham Report says Labour and Conservative administrations played in allowing it to continue for so many years.

British Petroleum yesterday joined Shell in welcoming the report as the "first fair and objective analysis" of the oil companies' involvement in sanctions breaking.

It admitted that there had been errors of judgment and procedure in the last 13 years, but added that companies and employees had been placed in an acutely difficult position because of the conflicting laws, policies and attitudes of the UK and South African Governments.

Today's Cabinet meeting will start to consider how the Government can best cope with the international implications of the Bingham Report, but further meetings of Ministers are likely before a conclusion is announced.

Following earlier pressure for a further inquiry from the Conservative and Liberal Parties, and from Labour backbenchers, the Anti-Apartheid Movement yesterday made detailed demands for a full inquiry into the role of Ministers and civil servants in implementing oil sanctions.

The group also called for a much tougher sanctions policy.

At a meeting with the group, Dr. David Owen, Foreign Secretary, that the Government intended "to face up to the implications of the Bingham Report in the light of the most recent developments in the region."

Ministers have some time to make up their minds about Bingham, largely because Parliament is not sitting and political pressure is less intense. But a storm can be expected when MPs return on October 24, unless the Government has taken a very firm line on implementing some form of public inquiry.

A decision will probably be made before the Labour Party holds its annual conference at Blackpool at the end of the month.

There is already considerable pressure for a national executive statement on the report, and its implications.

BP said yesterday that the report showed that while South Africa and Mozambique did not apply oil sanctions against Rhodesia, oil would continue to reach Rhodesia.

The only certain way of preventing this was to embargo oil entering South Africa and at no time was this Government policy. "All of this was explained from the beginning of sanctions."

On the crucial question of the swap arrangements with Total—intended to remove Shell Mozambique from any role in handling oil for Rhodesia—BP said these were not questioned by successive governments.

"The fact that the arrangements had been changed in South Africa was not known to BP in London.

"When it was discovered in 1974, information on the new situation (that Shell Mozambique was again supplying Rhodesia direct) was not effectively communicated to top management in Shell, as managers, and BP, as shareholders."

Top management in London remained ignorant of the facts, said BP. The company executive who discovered the position took steps to end it and mistakenly believed he had been successful. BP admitted that "in the event, the situation was not brought to the attention of the British British Government."

Mr. John Davies, Tory spokesman on foreign affairs, said in a television interview yesterday that, as a Cabinet member in the 1970-74 Heath Government, he knew nothing of the Total oil swap arrangement.

A group of influential trade union leaders sent Dr. Owen a letter under the imprint of the Anti-Apartheid Movement, urging Ministers to seek a categorical assurance from the South African Government that it would stop all supplies of oil to Rhodesia.

Failing that, United Nations sanctions should be extended to cover South Africa, it said.

Signatories included Mr. Jack Jones, Mr. Moss Evans, Mr. Alan Fisher, Mr. Lawrence Daly, Mr. Ray Buckton, Mr. Alan Sapper, Mr. Bill Keys and Mr. Terry Parry.

# Company profits slip back

BY DAVID FREUD

COMPANY PROFITS fell in the second quarter of 1978 after the strong growth of the previous year. On a longer-term comparison, profits in the first half were little changed from the level of the previous six months.

Provisional estimates for the Gross Domestic Product, released yesterday by the Central Statistical Office, show that while real profits dropped back between the first two quarters of this year, GDP as measured by output rose by about 1.9 per cent.

Over the same period income from employment rose sharply, by 4.7 per cent to a level about 13 per cent higher than in the second quarter of 1977.

The gross trading profits of companies in the April-June period was £3bn, seasonally adjusted and with the cost of financing increased stock values deducted. This was 4 per cent below the £3.2bn for the first quarter.

In the first half of the year the underlying level of profits was only 5.5 per cent above the previous six months, and this increase does not take inflation into account. The rise between the two halves of 1977 was 20 per cent.

The figures suggest that stagnating company profitability reflects rapid growth in employment income. This rose from £22.9bn in January-March to £24.0bn in April-June.

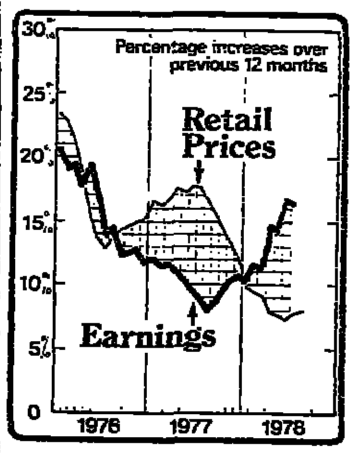
The short-term rise in economic activity is shown by the output estimate of Gross Domestic Product, which rose 1.9 per cent between the two quarters of 1978. The average estimate, based on income, expenditure and output measures, showed a 1.6 per cent increase.

The average estimate of Gross Domestic Product showed an increase of 1.5 per cent between the last half of 1977 and first half of 1978. Economic activity on the same measure in January-June was 2.8 per cent above the same period in 1977.

Consumers' expenditure in real terms increased by more than 5 per cent between the first halves of 1977 and 1978, while the volume of imports and exports increased by about 3 per cent.

Continued from Page 1

## Earnings




sonally adjusted, is the result of statisticians abandoning an attempt at partial seasonal adjustment which had not been previously announced. The adjustment attempted to compensate for the effect of part-time employees in schools who work only in term-time. Their absence from the reckoning in the summer artificially boosts the index.

Basic weekly wage rates rose 0.3 per cent between July and August to 265.3 (July 1972=100, seasonally adjusted) for an increase of 15.9 per cent in the past year. This index covers only nationally negotiated basic rates for manual workers.

THE LEX COLUMN

# Competitive times for Rowntree

Index rose 3.9 to 529.1

A slower rate of profits growth was well signposted in the last accounts from Rowntree Mackintosh, but the news of a half time rise from £12m to £12.5m pre-tax still left the shares 23p lower at 422p yesterday. Sales are 23 per cent higher, but tough competition is squeezing trading margins at home and on the Continent.

In the UK, Cadbury is now hitting back at Rowntree's Yorkie bar which, as discussed on Page 15, has grabbed a fifth of its market sector in next to no time. And Rowntree has lost most of the significant cost advantage which it had over the competition last year as a result of its forward cover in cocoa. The retail price war is also quickening the pace of competition. Overall, Rowntree's investment in UK marketing this year could jump from £11m to £14m.

On the Continent, Rowntree is fighting a battle for market share with Mars, and short term returns are being deliberately restricted.

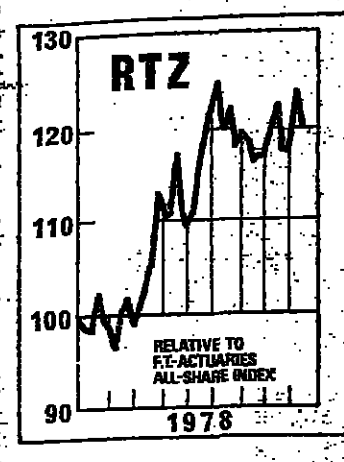
In addition, the group is investing nearly £40m in fixed assets this year and its working capital requirements could also approach that figure. The result is that interest costs will be higher despite the rights issue.

This adds up to profits growth of perhaps a tenth this year, and a dull short term outlook for the shares which yield a prospective 4.6 per cent. But Rowntree remains a very successful business currently engaged in a major investment in the future.

## TV Rental

The Price Commission's report on the television rental industry is a charade. The published accounts from Electronic Rentals, Visionhire's parent, state specifically that the group has no intention of putting up rates to existing subscribers. Similarly Thorn had no plans to put up rates in the foreseeable future. So much for the "freeze" which is solemnly recommended by the Commission to last until next April.

The only possible impact is on rates to new subscribers, which might otherwise have gone up by a point or two. The absence of such an increase over so short a period will barely be noticed in financial terms. No wonder the industry was hugging itself last night. Far from posing any threat to these efficient and profitable companies, the report acknowledges




their performance in the most glowing terms.

Its other remarkable feature is the depth and detail of financial information which it presents for the main companies. Thorn, it seems, is expecting a cash flow deficit on its rental side this year but hopes to maintain its returns on sales and capital employed. Visionhire expects higher profits in 1979, but thinks that its returns may peak out thereafter. Rediffusion, which forecast higher UK profits in its recent report, apparently told the Commission that its rental profits would fall in 1979. And the Commission has its own breezy thoughts, such as the suggestion that Visionhire's (presumably confidential) spending plans "could put pressure on its already high gearing."

This is price-sensitive information, and it was not made generally available yesterday. Few copies of the report were circulated, and brokers were running around in circles in their attempts to discover its contents. This must qualify for a merit award from the Worshipful Company of Insider Dealers.

## RTZ

Rio Tinto-Zinc's attributable profits at the half way stage are just £2.1m lower at £40.1m—and would have been higher if the pound had not moved up. Admittedly, the tax charge is down by 3½ percentage points due to more favourable treatment of Rio Algom's profits (worth maybe £4m), but this should not be allowed to disguise a surprisingly good performance.

Most of RTZ's quoted [illegible] had already reported the results for the latest period [illegible] it was obvious that the [illegible] tinued pressure on [illegible] prices had taken its toll. [illegible] has been a substantial [illegible] CRA's earnings with Hamersley suffering from the recession [illegible] the Japanese steel industry [illegible] Australian Mining and Smelting being hit by lower lead and [illegible] prices. Both Bougainville [illegible] Palabora managed partly to [illegible] set the impact of lower [illegible] prices by increasing their output and unlike some of [illegible] competitors they are still [illegible] ing a profit.

Remarkably, Rossing Uranium made a small profit during [illegible] period. However, the [illegible] RTZ's performance has [illegible] the borax operation which [illegible] benefited from a surge [illegible] demand ahead of a threatened U.S. dock strike. This side [illegible] the business is unlikely to [illegible] as well in the second half, [illegible] base-metal prices have hardened somewhat and although [illegible] group says that net profits [illegible] be lower, most analysts reckon that earnings will come [illegible] around 30p per share against 32.7p last year.

At the moment the outlook for 1979 does not look particularly bright and, in the absence of a substantial increase [illegible] base-metal prices, earnings could continue on a plateau. This may explain why RTZ has not increased its interim dividend and is saying nothing about the final. At 250p, the yield is 5.7 per cent.

## Oxford Street

Speculative buying had pushed the price of shares in Bourne and Hollingsworth up to 317p yesterday before Raybeck announced a cash offer of 235p with the Bourne family holding of 59 per cent already in the bag. Obviously there are some widely differing ideas on what this company is worth. Earnings do not come into [illegible] B and H lost money last year. Net assets at the end of 1977 were £6.1m, compared with the offer of £11.3m. But the accounts reflect a book value of only £5m for B and H properties — including the Oxford Street store—which were valued at £11.3m in October 1973. The big question is what a bidder should pay for those properties today.

The movement in the B and H share price raises the question whether the shares should have been suspended for a time.

# Raybeck bids £11m cash for store group

By Andrew Taylor

RAYBECK, the women's and menswear retailers and manufacturers, last night announced a £11.3m cash bid for Bourne and Hollingsworth, the Oxford Street, London, store group.

Several major suitors are known to have approached B and H but Raybeck's offer proved the most attractive to the Bourne family which has agreed to accept the 235p a share bid in respect of its 59 per cent holding.

Mr. A. Simons, deputy chairman of Raybeck, said that the deal would make the group the largest trader in the West End. Last year Raybeck acquired the John Stephen retail chain, which operates three stores in Oxford Street, for £750,000.

Raybeck also operates a number of other stores in the West End including its Lord John, Fifth Avenue, and Berkertex stores.

The offer price of 235p a share is substantially below Bourne and Hollingsworth's recent stock market price. Last night B and H shares closed at 317p, having risen 37p yesterday—but this was before the bid announcement.

The terms are supported by B and H's merchant bank advisors Morgan Grenfell.

In recent years Raybeck has been increasing its retailing interests so that manufacturing is now thought to account for only just over a third of group pre-tax profits.

Mr. Ben Raven, chairman of the group, said this week that Raybeck sales in the current year are expected comfortably to exceed £100m. In the year to April 29, the group earned pre-tax profits of £6.41m on sales of £76m.

Bourne and Hollingsworth, in addition to its Oxford Street store—which Raybeck says is on a prime site in an area of major development—also owns a hostel and a multi-storey car park nearby.

The properties are in the books at around £5m but at the peak of the property market in 1973 were valued at Raybeck's offer price of £11.3m.

In the year to February 13, 1978, B and H incurred a £27,000 pre-tax loss.

# Council workers prepare for confrontation on pay

BY ALAN PIKE, LABOUR CORRESPONDENT

LEADERS OF more than 1m local-authority manual workers decided yesterday to confront employers with a pay and conditions claim equivalent to a total rise of about 60 per cent.

On pay alone the claim disregards the Government's 5 per cent guideline for the coming year. It seeks to raise the minimum weekly rate from £42.40 to £60, with proportionate increases for other grades. Moreover, the unions are seeking a 35-hour working week, a fourth week's holiday and other improvements.

The claim is endorsed by the three unions involved: the Transport and General, Public Employees and General and Municipal. After agreeing yesterday, leaders emphasised that the Government's guidelines would not be a governing factor. They pointed instead to the poor pay of many of their members, which will be central in their presentation of the claim.

"The employers have to be prepared to seek a bit more elbow room from the Government or recognise that they are in for a spot of bother this winter," Mr. Charles Donnet, secretary of the trade union negotiators, said.

The unions appear ready to attack the 5 per cent policy head-on. The National Union of Public Employees has instructed its area committees in councils and hospitals, to prepare for industrial action.

NUPE is campaigning to raise low pay this year. Mr. Alan Fisher, its general secretary, has criticised the £44.50 earnings maximum in the Government's pay policy White Paper below which claims are exempted from the 5 per cent limit. However, in an exchange of letters published yesterday, Mr. Denis Healey, the Chancellor, rejected the suggestion that the Government should accept a basic minimum wage of two-thirds of average earnings.

Construction workers employed by councils have also submitted a claim for substantial increases.

A claim for increases of £27 and a 35-hour working week was submitted to BL Cars yesterday on behalf of 6,500 production workers at Cowley. The company will obviously be expected to respect pay guidelines.

Ford management will this morning reply to the pace-setting demand for 25 per cent and a shorter week submitted last month on behalf of its 57,000 manual workers.

**John Elliott writes:** The Confederation of British Industry is to urge the Government next month to change pay clauses inserted in public-sector contracts since February.

It would involve the Government's extending contract periods and awarding financial compensation when companies are held up by strikes over pay policy. It would also provide for recovery of certain costs if the Government terminated the contract of a company that exceeded pay limits.

The confederation's council was told yesterday at its monthly meeting that its pay data bank has been given details of 30 phase four pay claims for rises of 20 to 30 per cent covering 500,000 employees. It also has reports of 25 settlements at about 5 per cent covering 30,000 employees.

**Toolroom men seek pledge: Healey on low paid Page 14**

# BBC wants special treatment

BY CHRISTIAN TYLER, LABOUR EDITOR

THE GOVERNMENT is about to receive one of the first claims for special treatment in the new 5 per cent wage round. It comes from the top management of the BBC, which will argue that pay problems caused by incomes policies are driving away skilled staff at a rate which threatens its operation.

Despite an official instruction to observe the 5 per cent limit, the BBC will shortly submit its case to the Home Office, quoting those paragraphs of the Stage Four White Paper that describe the special cases of the last pay round and suggest that "a small number of groups" may be eligible in this one after "very critical" examination.

Whitehall has acknowledged for some time that the BBC is under exceptional pay pressure. It began in 1975 when weekly-paid workers escaped the pay policy net but monthly-paid staff were caught. Since then, the BBC said yesterday, anomalies had continued to build up. A recent award by the Central Arbitration Committee giving 2½ per cent extra to management and production staff and 7½ per cent to technicians had narrowed the gap between the BBC and ITV for those grades, but had also intensified some of the internal stresses.

The claim will be on behalf of all 25,000 employees. The unions have made no pay claims yet for this year, even though the weekly-paid were due for a rise from early August, and the monthly-paid fall due in ten days.

The only other possible applicants for special treatment known about so far are university and health service technicians belonging to the Association of Scientific, Technical and Managerial Staffs.

**Arthur Sandles writes:** The BBC has now made its request for a £30 colour television licence fee (£12 for black and white). After weeks of well-aired hints Sir Michael Swann, the BBC chairman, has written to Mr. Merlyn Rees, the Home Secretary, formally seeking the increases from the present £21 and £9 respectively.

Mr. Ian Trethowan, director-general of the BBC, has said that such an increase would last for three years, given that inflation does not substantially worsen.

"By next March we shall be approaching the limit of our borrowing powers," Mr. Trethowan says in the latest issue of the BBC Staff magazine, Ariel. "We are already in the red, and the further we get into deficit, the bigger the licence increase has to be to allow us to pay off our debts."

## Weather

UK TODAY

MOSTLY dry, sunny spells, some rain in extreme N.

**London, all S. England, E. Anglia, Midlands, Channel Isles, Wales**

Dry, sunny periods. Max 17C (63F).

**E., N.W. and Cent. N. England**

Dry, cloudy, sunny intervals. Max 16-17C (61-63F).

**Lakes, I. of Man, N.E. England, Borders, S.W. Scotland**

Dry, cloudy, sunny intervals. Max 15-16C (59-61F).

**Edinburgh, Dundee, Glasgow**

Dry, sunny periods. Max 15-16C (59-61F).

**Aberdeen, Moray, N.E. Scotland, Orkney, Shetland**

Cloudy, rain at times. Max. 13-14C (55-57F).

**Cent. Highlands, Argyll, N.W. Scotland, N. Ireland**

Dry, sunny periods. Max. 15-16C (59-61F).

**Outlook:** Sunny periods, some rain.

BUSINESS CENTRES

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Amsterdm. | C | 14 | 57 | London | S | 19 | 66 |
| Athens | S | 25 | 77 | Luxembrg. | C | 11 | 52 |
| Bahrain | S | 34 | 93 | Madrid | S | 29 | 84 |
| Barcelona | S | 26 | 79 | Manchstr. | C | 15 | 59 |
| Beirut | S | 28 | 82 | Melbourne | S | 16 | 61 |
| Belfast | C | 16 | 61 | Mexico C. | S | 21 | 70 |
| Belgrade | C | 12 | 54 | Montreal | S | 16 | 61 |
| Berlin | C | 12 | 54 | Moscow | R | 9 | 48 |
| Birmghm. | F | 18 | 64 | Newcastle | C | 14 | 57 |
| Bristol | F | 15 | 59 | New York | S | 19 | 66 |
| Brussels | S | 15 | 59 | Oslo | F | 11 | 52 |
| Budapest | F | 14 | 57 | Paris | S | 15 | 59 |
| B. Aires | S | 17 | 63 | Perth | R | 13 | 55 |
| Cairo | S | 32 | 90 | Prague | F | 9 | 48 |
| Cardiff | S | 19 | 66 | Reykjavik | C | 9 | 48 |
| Chicago | S | 26 | 79 | Rio de J'o | S | 27 | 81 |
| Cologne | C | 13 | 55 | Singapore | S | 29 | 84 |
| Copnhagn. | F | 12 | 54 | Stockholm | F | 10 | 50 |
| Dublin | C | 17 | 63 | Strasbrg. | F | 14 | 57 |
| Edinbrgh. | C | 16 | 61 | Sydney | C | 17 | 63 |
| Frankfurt | C | 12 | 54 | Tehran | S | 32 | 90 |
| Geneva | S | 16 | 61 | Tel Aviv | S | 28 | 82 |
| Glasgow | R | 15 | 59 | Tokyo | C | 27 | 81 |
| Helsinki | C | 7 | 45 | Toronto | C | 18 | 64 |
| H. Kong | C | 30 | 86 | Vienna | F | 13 | 55 |
| Jo'burg | S | 26 | 79 | Warsaw | C | 11 | 52 |
| Lisbon | F | 26 | 79 | Zurich | F | 13 | 55 |

HOLIDAY RESORTS

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | S | 24 | 75 | I. of Man | C | 16 | 61 |
| Algiers | S | 28 | 82 | Istanbul | S | 22 | 72 |
| Biarritz | S | 21 | 70 | Jersey | S | 17 | 63 |
| Blackpool | C | 15 | 59 | Las Plms. | S | 28 | 82 |
| Bordeaux | S | 21 | 70 | Locarno | S | 13 | 55 |
| Boulogne | F | 15 | 59 | Majorca | S | 25 | 77 |
| Casablnca. | S | 29 | 84 | Malaga | S | 24 | 75 |
| Cape Town | S | 17 | 63 | Malta | F | 25 | 77 |
| Corfu | S | 25 | 77 | Nairobi | S | 23 | 73 |
| Dubrovnik | R | 14 | 57 | Nice | S | 25 | 77 |
| Faro | F | 30 | 86 | Oporto | C | 18 | 64 |
| Funchal | F | 28 | 82 | Rhodes | S | 25 | 77 |
| Gibraltar | S | 22 | 72 | Salzburg | F | 12 | 54 |
| Guernsey | S | 16 | 61 | Tangier | S | 28 | 82 |
| Innsbruck | S | 16 | 61 | Tenerife | S | 30 | 86 |
| Inverness | C | 15 | 59 | Valencia | S | 27 | 81 |

C—Cloudy. S—Sunny. F—Fair. R—Rain.

Continued from Page 1

# Vorster quits with blow to peace

Namibian capital, tonight, that the election, for a 50-member national asembly, would be from November 20 to 24.

Mr. Vorster said that in spite of "the most strenuous efforts" by Mr. Pik Botha, South African Foreign Minister, and representatives of the five Western members of the UN Security Council, Britain, the U.S., Canada and France and West Germany, it had been impossible to overcome the differences between South Africa and Dr. Kurt Waldheim, the UN Secretary-General on the proposals for a ceasefire and free elections in the territory.

The principal stumbling blocks, he said, were the UN proposals to instal a peacekeeping force of 7,500 men, while South Africa would accept a maximum of only 2,000; to delay elections for about seven months, rather than before the proposed independence date of December 31; and to set up a police force of 360 men.

He insisted that South Africa was not closing the door on further discussions. But observers here believe there is very little room left for the Western Powers to re-start negotiations.

Mr. Botha admitted that it might not be possible to meet the proposed independence date of December 31, even if elections were held in November.

It would be up to the Namibian National Assembly elected then to decide whether it wanted to draw up a constitution, implement the Western proposals, or implement the UN proposals.

Only two political parties in Namibia, the ethnically-based Democratic Turnhalle Alliance and the even more conservative and pro-South African Aktur, which includes the former ruling National Party, have agreed to run in elections without UN supervision.

Mr. Vorster's successor will have to to be chosen at a meeting of the ruling National Party Parliamentary caucus, already called to elect a President on September 28.

Four names are under consideration: Mr. P. W. Botha, the most senior member of the Cabinet and Minister of Defence; Dr. Connie Mulder, Minister of Plural Relations (African Affairs) and leader of the Transvaal Province of the party; Mr. S. P. Fanie Botha, Minister of Labour and Mines, who might be a possible compromise candidate; and Mr. Pik Botha, the Foreign Minister, who undoubtedly has considerable popular support.

**Our Foreign Staff writes:** Following an emergency meeting of representatives of the five Western Powers in New York, the Foreign Office issued a statement declaring the South African move "a major setback to the prospects of bringing peace to southern Africa."

Despite this, the five Powers intended to go to the Security Council and recommend acceptance of Dr. Waldheim's report on Namibia. They would call on all concerned to co-operate and would affirm that the report was in line with their proposals.

Dr. Waldheim issued a mildly worded statement saying he still hoped for agreement on a basis allowing UN involvement in the territory. In Lusaka officials of SWAPO, the Namibian nationalist movement, said South Africa's move left them with "very little option but to step up the war."



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